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Editorial AS WE SEE IT

The latest bid of Governor Rockefeller for the Republican Presidential nomination would appeal to us a great deal more if the programs he espouses were not at some points so New Dealish and at others so uncertain or unclear in meaning. Having thus condemned weaknesses in the Governor's manifesto, we gladly add that at certain other points he has some very heartening observations about the needs of the day. We heartily endorse his stand against "featherbedding or restrictive practices by labor or management." We certainly would like to see a revision in tax policies which would encourage investment—although we must say that before growing enthusiastic about the Governor's proposal to this effect we should like to hear more specifically how he would alter present policies.

It will be recalled that drastic tax reform was one of the "musts" of the early part of the Eisenhower Administration, and that in 1954 sweeping changes were made in the law. Whether the present law is better than the older form we are not in a position to say. What we do know is that nothing at all was done about the basic defect in our tax system — the highly progressive individual income tax. We at this moment have no reason to suppose that Governor Rockefeller has any such reform as this in mind, and if he does not then much of the apparent meaning of his suggestion is illusory. The Governor is rightly critical of any system which permits our economy to be "tormented by periodic crises or clashes that invite solution by political pressure or political expendiency," and is on strong ground when he condemns "the kind of surrender to forces of inflation that marked the long delayed settlement of the steel strike last year."

What He Would Do

It is when the Governor comes to what he would do or like to do in the way of national policies that doubts, one after another, arise as to whether, despite his heartening sentences here and there, he *(Continued on page 37)*

Private Utilities Ready and Able To Meet Future Power Needs

By Charles E. Oakes, Chairman of the Board, Pennsylvania Power & Light Co.*

Utility head's appraisal of private electric industry not only details upward dynamic direction ahead but also belies notion, said to be held by some, that the industry is incapable of fully meeting our future power needs. Mr. Oakes points out: (1) electricity generated in next 20 years will exceed three times that produced since Edison's invention; (2) nuclear fuel in 15 to 20 years will face real competition from direct generation from various sources; and (3) continuing pace of pooled capacity and interconnection provides many advantages, new to USSR but not to us, including payment of taxes.

The start of a new decade is a good time to pause and take stock as to where we are and where we are going. The investor-owned utilities have the responsibility to: Furnish an abundant supply of electricity for use in the areas they serve; anticipate future needs well in advance of the time the power will be required; give first-class service at the lowest practicable price to their customers; conduct research and development of all phases of their business in the public interest; assure efficient operation and management by attracting the services of capable and well trained men and women; contribute their full share to the support of our government and the defense of our country; support sound regulation by regulatory bodies at Federal, state and local levels; merit the confidence of: their customers, the investors in their securities and the general public; and in every way, be good citizens.

Chas. E. Oakes

Now, before we go any further let us define what "investor-owned" means as applied to the electric industry. The Edison Electric Institute studies indicate there are about 3.8 million owners of stock of the investor-owned electric companies in the United States—the direct owners of companies just like yours and mine. But there are many more people who have a very great financial interest in our companies.

Approximately one-third of the outstanding debt of America's electric, gas, water, and communication facilities is held by the nation's life insurance companies. Analysis shows that well over half of the $16 billion so invested for the 124 million life insurance policyholders is in electric company securities.

Then there are the more than 22 million depositors in the savings banks of the country, who likewise have a stake in the electric business as substantial amounts of their savings have been placed in power and light securities. Millions of workers whose major support in their old age will come from private pension funds, together with the beneficiaries of trust funds of all kinds, also have a large interest in the investor-owned utilities because these trust funds hold substantial amounts of their securities. Thus almost everyone in the nation has a financial interest in the operation of the electric companies—the investor-owned electric companies.

The investor-owned companies are rightfully proud of the contribution they have made to the nation's economy. They have pioneered in the development of the industry. They have built well. Through technological improvements and good management, they have done an outstanding job in holding down the price of electricity despite the wave of inflation that has swept over our country. They have merited the confidence of customers, investors and the general public.

The utilities cannot wait for the market for power to develop, and *(Continued on page 38)*

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WILBUR V. ADAMS

Partner, Adams-Fastnow Co.
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Electrical Products Corporation

For the investment house interested in adding to its list of "growth potential" stocks, Electrical Products Corp., firmly entrenched in the country's greatest growth area, warrants careful consideration.

Wilbur V. Adams

A leading producer and marketer of electrical advertising signs for the past 48 years, "Electrical Products" now has 27 offices and branches serving the Pacific Coast, Nevada and Arizona.

Total income in 1959 was $10,684,791, which generated net earnings of $576,424, equal to $2.20 a share on its sole capitalization of 262,002 shares of common stock outstanding. For 1960, revenues should approximate $12 million and net is expected to be in the neighborhood of $2.40 a share.

About 60% of the company's income is derived from the leasing of electrical signs and some 30% from outright sales. The remaining volume comes from the sale of component parts. Rental contracts range from 36 to 60 months. During the term of a lease, "Electrical Products" maintains the sign, pays the taxes, and does many other chores that make for not only an economically sound arrangement, but also a pleasant one. Through this leasing plan, the company is building income for future years. In other words, the sale this year of a rental contract (which may bring as high as $2,000 a month) will result in a monthly income for the next three to five years. Furthermore, because all costs have been written off during the term of the lease, renewals can be made on an attractive and hard to compete with basis.

Last year the company invested substantially in the training of additional salesmen and its sales force now numbers over 100. Results from this increased sales force have been reflected in new sales and lease business written in the first three months of 1960, amounting to $3,135,762, an increase of 19.7% as compared with $2,619,153 registered in the first quarter of 1959.

To round out its coverage of the sign business, the company in 1958 acquired Arrow Manufacturing Company of Oakland, Calif., producers of thermoplastic sign faces. Now operated at the Plastics Division, it produces point-of-purchase signs and supplies the parent company with superior quality plastic sign faces. In addition, unrelated industrial fabrication recently has become an added factor, and could lead to interesting possibilities. In 1960, the division could contribute 10¢ to 15¢ a share to earnings.

"Electrical Products" designs and manufactures many of the components used in the operation of an electrical sign. Although not visible, such vital parts as cathodes, housings, tube supports and bases, sign rotating units, etc. play an important part in reducing maintenance costs and adding to the efficiency of the company's signs. Many of these products are marketed to other sign makers.

"Electrical Products" is the ZEON licensee in its operating areas. Established in the public's interest to provide standards of quality construction of electrical advertising displays, ZEON Corp. grants licenses only to responsible companies whose services and facilities conform to the rigid ZEON specifications and standards.

"Electrical Products" has an unbroken dividend record going back to 1929. The current quarterly rate is 25¢ a share, increased from 20¢ in 1957. The President has indicated that some supplement in 1960, perhaps in the form of a stock dividend, is possible.

Current assets at Dec. 31, 1959 were $3,950,784, compared with current liabilities of $1,583,231, a current ratio of 2.47-to-1. Total assets at last year-end amounted to $8,488,039.

"Electrical Products Corp." common is listed on the Pacific Coast Stock Exchange.

HARRY L. McALLISTER

Chairman, Executive Committee, R. S. Dickson & Co., Inc., Charlotte, N. C.

Drexel Furniture Co.

Few companies have enjoyed a more spectacular growth than the Drexel Furniture Company of Drexel, N. C. The company was organized in 1903 and its 50 employees manufactured oak dressers, washstands and chifforobes. Today, Drexel ranks with the nation's finest in the manufacturing of quality furniture. The firm now operates 12 large plants, employs approximately 2,600 persons and has net sales of over $40 million a year.

Harry L. McAllister

Drexel is my favorite security for several reasons: the company operates on sound business principles, has as much growth potential in the future as it has shown in the past, and has an excellent dividend record during the past two decades.

The best illustration of Drexel's growth is the 10-year period between 1949 and 1959. During that time, net sales increased from $13 million to $40 million, book value increased from $14.88 to $32.62 and the price of the common stock jumped from $10 to $32.

Drexel, during that period, acquired control of Heritage Furniture and Morganton Furniture which increased production by 45%. As of this date, the company's plants, inventory and equipment are appraised at more than $30 million and current assets are nearly four times total liabilities.

Drexel's position in furniture manufacturing is shown vividly by the results of an independent research organization which makes a survey of brand names every two years. According to the charts, in dining room brand conciousness, Drexel stood 57.4% against 13.6% for the nearest competitor. Drexel was 52.7 in bedroom furniture against 18.2 for the nearest competitor. In living room furniture, a newer field for Drexel, the subject company was second by a substantial margin.

Drexel's reputation in the furniture industry has increased with the company's remarkable growth. Through a dignified and successful advertising program on a national level, more people than ever before have come to know Drexel and its fine products.

Drexel recently supplied the Air Force Academy at Colorado Springs all the dressers and desks for the beautiful new dormitories and officers quarters, and now makes cabinets for Motorola television, hi-fi and stereophonic sets. This, of course, is in addition to its high quality living room, dining room and bedroom lines.

To meet requirements for its constantly expanding operations, Drexel completed a million dollar program last year at the Marion, N. C., plant, added a research and engineering building at the Morganton, N. C., plant, and constructed a new showroom and office building at the Drexel, N. C., plant. The new showroom of approximately 40,000 square feet will enable the company to show its entire line for the first time.

At its current level, the common stock (traded in the Over-the-Counter Market) of Drexel Furniture Company is an attractive commitment for persons interested in above average yield along with capital appreciation possibilities. The current market price per share is approximately $30. Indicated annual dividend is $1.60. Last year, however, the indicated dividend was $1.40 and the company paid $1.75.

With an enlarged sales force strategically located throughout the nation, and with an able and aggressive management, the company stands ready to continue its pattern of healthy growth.

Pertinent Per Share Financial Data

1959 earnings per share	$3.93
Book value per share	32.62
Indicated dividend	1.60
Net working capital	*21.27

*Less long-term debt.

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

Kidder, Peabody Branch Opens in Milwaukee

MILWAUKEE, Wis. — Kidder, Peabody & Co. has opened a branch office at 710 North Water Street under the management of Harold H. Emch, Jr. Mr. Emch was formerly Vice-President of Emch & Co.

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Candid photos taken at the Annual Field Day, of the Bond Club of New York, appear in today's Pictorial Section.

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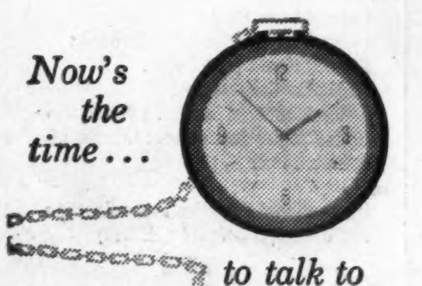

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Home Electric Heating—Big Market of the Sixties

By Thomas G. Ayers,* *Vice-President, Commonwealth Edison Co.*

Electric utility industry is taken to task for not aggressively meeting "a sales opportunity greater than all of today's appliances rolled into one." Mr. Ayers' concern in general is with the lack of momentum displayed so far toward the goal of the all-electric home and in particular with the electric heating of homes. He sees this requiring coordination between manufacturers and utility companies, changing the design and performance of this flexible medium, facing up to the need of changing the traditional distributor-dealer-contractor-builder relationship, and a sales-education marketing program involving bankers, architects, heating contractors, builders and, of course, the consumer. Data are provided on electric-heat's present and potential future progress, and not neglected is the non-residential side of the electric heat market.

To many students of marketing, electric heat is one of the greatest opportunities ever offered to our industry. Even so, I do not believe that we utilities fully appreciate the potential this market offers. Neither do the manufacturers. My objective is to intensify the awareness of manufacturers and utilities to this opportunity and to stimulate their response to it. I will project some ideas and raise some questions about electric heat. Industry representatives can evaluate the ideas in terms of their service area or company better than I. Then, too, I am sure the answers to the questions will vary considerably among individuals. Finally, I would like to suggest some avenues of programming and action.

T. G. Ayers

Let us begin by looking briefly at the whole indoor climate conditioning market of which heating and cooling are twin components.

50 Million Home Electric Customers

There are 50 million residential electric customers in the country. Six and a half million have room air conditioners. Another 900,000 have central cooling, or in total, about 14% have air conditioning. Nearly all of this growth has taken place in the last decade. Last year the residential cooling equipment market grossed about $800 million, up 17% over the previous year. The marketing success of residential air conditioning has been a major factor in bringing about a summer peak condition to many northern utilities. The buyer has literally taken air conditioning away from the seller. Little education was needed —no existing device was being outmoded, and there was really no competition. So we see that the cooling part of electric indoor climate conditioning, which is more or less separable from total electric living, is off to a fast start.

On the other hand, electric heat customers, while doubling in the past three years, still number only 600,000. Ten-year projections vary from 3½ to 4½ million, or 6% to 7% of the expected 60 million customers. As contrasted with air conditioning, electric heat must compete with firmly entrenched heating devices. So the heating portion of the climate conditioning market, which is virtually inseparable from total electric living, has just left the starting post.

To the manufacturer an all-electric home offers the potential of some $1,500 more in equipment sales—wire, cable, switches, appliances, etc. To the utility, an all-electric home means a customer using at least 20,000 kilowatthours a year—six times the present national average. The projected four million electrically heated homes could use 80 billion kilowatthours — nearly half the electricity all residential customers used last year!

Such estimates are only averages of the trend-line variety. As Shirley Gracy of Florida Power says: "An average is the best of the lousiest and the lousiest of the best." As exciting as these figures are to contemplate, they don't begin to measure where we could go if both manufacturers and utilities really decided to sell!

One of my friends likened our attitude toward electric heat to the plight of the woman who continued to bear children year in and year out. When she consulted her doctor, he advised: "For goodness sake, when you wake up, get up."

Taking someone else apart is always easier than self-analysis. Let's start with manufacturers.

The vista of the electric heating market is 50 million present dwellings and upwards of 1¼ million more each year. Electric heating equipment sales grossed about $100 million last year; in less than a decade it is envisioned as a billion-dollar-a-year industry.

Favorable Response from the Manufacturers

Now, what has been the manufacturers' response to this opportunity?

The number of respondents has been great. I only hope they prove substantial and reliable in like measure. Their products have developed and improved, but not, I believe, with the imagination and boldness required by this market.

Look, for instance, at baseboards—most are copies of conventional heating units — and equally aesthetic. A unique fea-

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American Broadcasting—Paramount Theatres, Inc.

By Dr. Ira U. Cobleigh, *Enterprise Economist*

Viewing the substantial growth of this enterprise and its profitable progression from tired theatres to lively television.

United Paramount Theatres, eight years ago, had the nation's largest chain of movie playhouses — so large in fact that the government ordered a substantial divestment of same. Then, in early 1953, United Paramount Theatres was merged with American Broadcasting to create the present company. The divestment of theatres proceeded, and the proceeds were most happily reinvested in broadcasting. The result is that American Broadcasting - Paramount Theatres, Inc., while still the largest owner of movie theatres (495 theatres in 270 communities in 36 states), has so reoriented its earning power that, of $288 million of gross earnings in 1959, $179 million was from ABC, and only $91 million from theatres. The balance, $24 million, came from miscellaneous sources.

Further, about the theatres, the program has been to retain the more profitable ones, and to sell marginal units and those properties more valuable for some other use than for showing movies. These property dispositions have created sizable cash realizations, and those theatres retained have further benefitted total cash flow by depreciation charges which, in 1959, amounted to about $4.2 million. The movie business, in general, has an upward look based on some rise in total attendance, more attractive feature pictures, and the myriads of "war babies" now coming of age who swell the total of the 15 to 30 age group—the major segment of movie viewers (and popcorn buyers!)

The real forward motion in ABP (NYSE symbol for the common stock) is the ABC broadcasting division. This ranks as one of the three nationwide broadcasting networks with five TV stations and 234 network affiliates. ABC is growing much faster than its competitors due to a sales-minded and aggressive management and increasingly attractive programs. Newer TV shows, such as the "Rebel" and "The Untouchables" have caught fire, while the older ones, "77 Sunset Strip," "Cheyenne" and "The Real McCoys" have been able to maintain high ratings. Music for the young, and the not so young, provided by Pat Boone and Lawrence Welk respectively, commands a broad audience and the "specials" with such as Bing Crosby and Frank Sinatra "have pulled" well. In Sports, ABC has terrific event coverage. This season, ABC-TV will have a $9 million billing to Gillette for broadcasting NCAA feature football games and outstanding prizefights.

Providing viewers with such diverse and attractive video fare has been pleasingly reflected at the cash register. In 1959 gross ABC-TV time sales expanded 22% over 1958 (the largest percentage and dollar gain among the three networks for the year). The time rates for ABC have been substantially below those of its competitors due to its lesser national coverage and quite liberal discounts. It is expected that these rates will be increased, based on the expanding popularity of ABC programs and the wider audiences being reached. This will, of course, improve profit margins. Gross time TV sales gained 20% in the first quarter of 1960.

In radio, ABC owns six stations with 354 affiliated network stations. This division has been operating at a loss but is now on the upgrade and, quite possibly, may show some black figures for 1960.

The basis for expanding earning power at ABP does not rest entirely on theatres and domestic broadcasting. There are some interesting and highly promising investments in other fields. The company has a 35% stock interest in a publicly owned electronic enterprise, Microwave Associates, Inc., a growing factor in microwave equipment and radar components. Other electronic investments include ownership of a 21% interest in Technical Operations, Inc., and a one-third interest in Dynametrics Corp. a contract engineering from in the missile field. These ventures pay no dividends currently but provide an attractive growth factor by virtue of an expanding equity in earnings and market value.

In other entertainment fields, ABP owns 35% interest in Disneyland (which Khrushchev couldn't visit); and a tourist attraction in Florida with a wacky name, Weeki-Wachee Spring.

Providing further diversity to earning power, ABP is in the publishing business through ownership of Prairie Farmer Publishing Co., putting out three of five leading American farm journals. ABP also owns two record companies, and has moved into foreign TV through acquisition of interests in stations in Costa Rica and other Central American countries, and in Adelaide, Australia.

So you see American Broadcasting-Paramount Pictures, Inc. is a quite panoramic operation. Investor interest has been attracted here not so much by the munificence of past earnings, as the promise for the future. Including capital gains, the net per share for 1959 was $1.92, exactly one cent more than the $1.91 reported for 1955 (on a smaller number of shares). This doesn't look like progress; but actually represents a consolidation of activities, and a balancing off of declining theatre revenues against rising TV income. Now, it appears, a definite corner has been turned. First quarter (1960) per share net was 81c against 53c for the identical 1959 period; and competent analysts have projected per share net for the full year at around $2.50; and possibly as high as $4 in 1961. With such prospects ABP common has attracted quite a market following. It now sells around 37 with a $1 dividend that will no doubt be increased. Before 1952, the regular rate on the old United Paramount common was $2. A return to that distribution within the next two years would not seem incredible.

Much of the dynamics in the ABP picture is supplied by top management. Mr. Leonard Goldenson has been President since the merger and is respected as one of the top-flight executives in the entertainment business. Simon B. Siegel, Financial Vice-President is a "figure" man par excellence; and Oliver B. Treyz, youthful (42) President of ABC-TV has been doing an outstanding job in programming and the production of advertising revenues.

ABC-TV now sends out about 20% of network TV billings and its percentage of the total market has been rising steadily. Total TV gross time billings are running now at above $625 million a year. By 1965, this figure may reach $1 billion. Thus ABP is very well placed in a rapidly expanding industry.

Capitalization of ABP is uncomplicated—56.8 million in long term debt, $1.5 million in 5% preferred and 4,149,362 shares of common listed on NYSE. Working capital was $52 million at the 1959 year-end.

There is no doubt that motion picture theatre business has been relatively unattractive in the past decade. In the ABP situation you can perceive, however, an intelligent long-range program of gradual conversion of theatre property resources into assets with greater forward motion and higher earning power. It would appear that this program has now reached a stage where earnings can move ahead into a new order of magnitude; and a higher conversion rate for gross into net can reasonably be expected. If good management, prudent diversification and investment in rapidly growing industries makes sense, then perhaps ABP deserves your closer inspection.

The Gutman Letter Is Back

WALTER K. GUTMAN, writer of one of Wall Street's most popular and provocative investment letters, has become associated with us as Director of Research. We are happy to say that his weekly comments are now available to our clients.

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Cooley & Co. to Admit Partners

HARTFORD, Conn. — Cooley & Co., 100 Pearl St., members of the New York Stock Exchange, on July 1 will admit Norman W. Spencer and Leo V. Dubey to partnership.

Goodbody & Co. To Admit Two

Goodbody & Co., 2 Broadway, New York City, members of the New York Stock Exchange, on July 1 will admit Joseph B. Binford and Joseph F. Neil, Jr. to partnership.

OBSERVATIONS...

BY A. WILFRED MAY

THE DEMOCRATIC PROCESS

Merrily onward goes the "democratic process" of choosing a President, recently termed "Choice By Ballyhoo" by Adlai Stevenson* (himself a very special type of "non-Candidate.") Having gotten past the Primaries —castigated as "eye wash" by Mr. Truman—the next major piece of business would be the Party Conventions. But under this year's strategy, the timing of the candidates' and draftees' statements on the issues is being made the major item of public controversy.

The call on candidate Nixon by Governor Rockefeller to elaborate on his program and views may or may not be proper. But, to assume that this would necessarily serve to inform the electorate of the policies that will actually emanate from the White House next January, is naive.

"Before-and-After"

Let us recall the striking "before-and-after" Election contradictions accompanying the inauguration of the New Deal. Particularly blatant was the schism in one of the most important and intensively *discussed* issues of the 1932 campaign, namely, monetary policy and inflation.

Expounding his "program" on June 30 in Albany, Candidate Roosevelt said, "Let us have courage to stop borrowing to meet continuing deficits. Stop the deficits. Let us have equal courage to reverse the policy of the Republican leaders and insist on a sound currency." Subsequently, of course, his New Deal permanentized the deficits, and *in depth*.

"Sound money must be preserved at all hazards!" declared the 1932 Candidate in Brooklyn on Nov. 4. " . . . The thing has been said three times in my speeches. It is stated without qualification in the platform, and I have announced my unqualified acceptance of that platform."

Some attempts have been made to justify the subsequent dollar-juggling nostrums successfully invoked by President Roosevelt, by bringing them under a stretched "sound currency" umbrella. The record on the gold standard cannot be even so rationalized. In his Brooklyn Academy of Music speech on Nov. 4, the Candidate epitomized his unequivocal commitment to the gold standard thus, "the business men of the country, battling hard to maintain their solvency were told in blunt language in Des Moines, Iowa (by President Hoover) how close an escape the country had some months ago from going off the gold standard. This, as has been clearly shown since, was a libel on the credit of the United States."

Three days after taking office, President Roosevelt, on March 6, 1933, ordered the suspension of redemption, taking us off the gold standard; accompanied by this neat rationalization given to the press: "Nobody knows what the gold basis or gold standard really is."

*In "This Week" Magazine, Feb. 28, 1960.

Cynicism from the Republican Side

Another Presidential Candidate, the liberal Republican Wendell Wilkie, frankly endorsed the cynicism due pre-Election statements. During a Senate Committee's Hearings on the Destroyers for England Bill on Feb. 11, 1941, he was questioned by Senator Nye about inconsistency of his testimony with a statement he had made 15 months previously. "Oh, that was a bit of campaign oratory," was his unabashed and not-too-shocking explanation.

The Public Relations Factor

In the earlier days, pre-Election statements were pretty much bound up with good old-fashioned demagoguery or on issues, the advice of technical experts (as Roosevelt's dependence on the sound Senator Carter Glass and Professor H. Parker Willis in economic matters, before the post-election arrival of the monetary magicians). Today's political leaders have switched to reliance on high public relations strategy, master-minded by "Madison Avenue."

Surely, then, the value to the electorate of pre-Election statements is in the process of being further reduced.

* * *

SOUND DIVERSIFICATION IN CONSUMER CREDIT

In contrast to the proliferating diversification of industrial enterprises, as a coal company taking on underwear manufacturing, or a tire manufacturer adding space, exotic fuels, and amusement businesses, with the accompaniment of some skepticism, the vast extent of the commercial banks' "diversifying" with customer credit goes on largely unrealized. No doubt the casualness of the public's observation of such credit services is partly attributable to their obvious appropriateness.

Expansion by the Banks

First let us look at the quantitative growth of the banks' activities in this area. Total installment credit outstanding created by all holders, has risen from $4.5 billion in 1939 to $39.7 billion now. Of this, the amounts going into the commercial banks increased $1 billion to $15.1 billion, against a rise to only $10.3 billion from about the same amount at the earlier period.

Of the increase of total outstanding installment debt by $35 billion since 1945, 38% has taken place in the commercial banks, compared with 28% in the sales finance companies, 10% in other financing units, 12% through retail outlets, and 8% through credit unions, and 2% by others.

The above data demonstrate the growing importance to the banks

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of this kind of credit. Further diversification for the banks comes in *qualitatively* via the kinds of borrowers. Whereas, the consumer debt instrumentality in the "good old days" was largely confined to the automobile buyer; now, in the words of the current "Bulletin" of the Federal Reserve Bank of Philadelphia, far from limiting time-purchasing to "durables," the consumer today can eat, sleep and travel via airline . . . "on the cuff." "People go into debt to get out of debt. Debt has become a way of life." The new areas further enlarging the "diversification" now include "retail" credit extensions by the banks running the gamut from clothing purchases to packaged vacations—with competition likely to spur this further.

The Debt Increase

During the long-term period installment debt has increased more rapidly than consumer debt as a whole; and also more than total consumer income. This is attributed to the larger proportion of young adults getting married, and their starting of families, to increased workers' incomes in terms of purchasing power, to the swing to urban, non-farm occupations, to suburbanization; all swelling the demand for autos, furniture and other installment-financeable goods. Also contributing to this increased shift from such borrowing is the stated wish of many individuals (one-third of the borrowers, reported by the F.R.B.) to borrow despite their holdings of the needed cash; as well as their "hocking" insurance policies.

Currently, the ratio of credit used to buy goods, as a percentage of income, is remaining steady at last year's highs, with increases probable in personal loan extensions.

Transatlantic Diversification

Expansion abroad in providing the financing of exporters, has been announced this week, by the Commercial Credit Company, following C.I.T.'s alignment abroad with American Express. These moves will indirectly further increase and broaden the bank's consumer credit stake.

Diversification in another channel is instanced in the financing of receivables of Sears Roebuck through a subsidiary, Sears Roebuck Acceptance Corporation, via offerings of short-term notes, (now totalling $158 million). About a quarter of the parent companies' customers' installment accounts are so financed. Montgomery Ward, "post Avery" is now also selling its installment accounts.

Sears insurance business represents an enormous amount of diversification, also in the financial area. Its Allstate Insurance Company has become a multiple line insurance company, including even life now. Its growth has been about eight-fold over the past decade; premiums written now amount to $438 million, total assets to $678 million, and net income to $35 million (this profit figure of the insurance division alone exceeding the entire profits of the country's second largest mail order-retail company).

Stock Market Versus Consumer Credit

Interesting discussion, mostly informal, of the nature of credit going into the stock market and to consumer debt, along with some of the foregoing questions, took place at the Consumer Credit Management Program at Arden House in Harriman, N. Y. last week. The consensus held that in consumer credit extension the emphasis is placed on the personal qualifications of the borrower; while the criteria governing lending to the speculator-investor are concentrated on the liquid collateral. (In this connection, SEC Regional Administrator Windel's plea for greater attention to the borrower by the margin-extending broker, made before the Association of Customers' Brokers last week, is interesting).

In its overall policies covering the two credit areas, the Board's attitude is more similar. This appears to be endorsed by the Reserve Board's explanation of the regulation of margin requirements, "Since the flow of credit into the stock market tends to fluctuate with general business conditions, changes in margin requirements are usually correlated with policy actions that affect general credit availability," in the 1959 Annual Report of the Board of Governors.

And in its specific explanations of its raising and lowering of the margin requirements, the Board includes attention to the price level and inflationary psychology.

H. P. Morris Joins Stix Co.

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Howard P. Morris has become associated with Stix & Co., 509 Olive St., members of the Midwest Stock Exchange. Mr. Morris was formerly Vice-President of Taussig, Day & Co., Inc. with which he had been associated for many years.

Corp. Bond Traders Elect

The Corporation Bond Traders Association of New York has elected the following new officers for the ensuing year:

President, John F. McCormack, F. S. Smithers & Co.; Vice-President, Fred R. Eisele, Freeman & Co.

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EFFECTIVE JUNE 15, 1960

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

In face of a new money raising operation which will have to be undertaken in the next fortnight, or so, the Treasury came along with an "advance refunding" offer which took the financial community pretty much by surprise. It appears as though the Treasury is not going to let the market digest the issues which have been floated in closeby refunding and new money operations before again making offers to holders of Government issues. This brings about uncertainty and, in some instances, creates confusion in the money markets.

The positive reserve position of member banks, together with the unexpected decline in loans in face of income tax payments, has imparted an easier tone to the money markets. In spite of this trend, the bulk of the funds which are available for investment in fixed income issues continues to go into short-term Treasury obligations.

The "Forward Refunding" Offer

The money market had been looking for at least a short breathing spell but the Treasury took advantage of the lull in operations by making a "forward refunding" offer to the owners of that large maturity ($11,177,000,000) the 2½s due Nov. 15, 1961. There has been considerable discussion about "forward refunding" and there was no question but what the financial district believed it would be carried out by the Treasury, but at some time in the future. The fact that the interest rate level of 4¼% for long-term obligations was not upped by the Congress was looked upon as a deterrent to any large scale "forward refunding" by the Treasury.

In addition, it is evident that as long as uncertainty is going to prevail as it does now, there is not going to be too much in the way of a move by most holders of near-term issues to extend the maturity date by a "forward refunding" unless there is a real inducement in the form of much higher rates.

Federal Paving the Way

To be sure, the action of the monetary authorities to ease money and credit conditions which started with the decline in negative reserves of member banks of the system and eventually brought about excess reserves and a reduction in the discount rate recently may have spurred the Treasury on in its drive to cut down the size of certain issues which have to be refunded in the next year or so.

The decrease in the Central Bank rate is evidence that the Federal Reserve Board has assumed at least a policy of "neutrality" and this could be accompanied by easier credit conditions with the passage of time. A lowering of the interest rate trend would be very helpful to the Treasury in "forward refundings" provided the necessary inducement to make it is there.

Success Indicated

The offer by the Treasury to take care of part of the Nov. 15, 1961 maturity through the exchange of these 2½s for a 3¾% note and a 3⅞% bond, however, turned out to be a pretty good proposition with the note getting the major part of the play. To those owners of the 2½% of Nov. 15, 1961, who had acquired them below 100 and were satisfied with a 1964 maturity, this exchange for the 3¾% note made some sense, especially from the tax angle. On the other hand, the holders of the 2½s who bought them at 100 or above were not attracted too much by either the 3¾s or the 3⅞s.

From the indications which were available at the start of the "forward refunding" offer it appeared as though it would be no ball of fire and the guesses which were being made were not optimistic. However, it subsequently gained momentum and beyond question the figures to be published by the Treasury will prove it to be a successful undertaking.

Long Bonds in Doldrums

The lowering of the Central Bank rate has brought some additional funds into Government securities but these have gone mainly into short-term issues. In addition, there have been somewhat increased commitments in the intermediate-term obligations but these have not assumed anything like large scale purchases. The most distant issues—those in the real bond classification—have made limited progress largely through state pension fund purchases but there are no indications this will be followed by sizeable purchases since there are more attractive issues in the non-Federal fields.

The sharp up-trend in prices of common stocks has taken more than a bit of the glamor away from fixed-income bearing securities. It is reported that quite a few positions in short-term Governments have been liquidated and the proceeds put into equities.

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TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The decision of the New York Federal Reserve Bank and seven others of the system to emulate the earlier action of the San Francisco and Philadelphia reserve banks in reducing the discount rate from 4% to 3½% served to invigorate all sections of the bond market. The action of the reserve banks was apparently based upon the lowered momentum in some important segments of the economy, including lower commercial loan figures, the recent decline in the relative volume of money in circulation, and the general dip in consumer spending.

Treasury's Advance Refunding Offer Seen Successful

Although the Treasury announcement of its unique advance refunding plan slowed down the general improvement in the government bond list, skepticism regarding it has been largely dispelled and, although the exchange offer may not fulfill the suggested limits for each offering, it seems likely that holders of the 2½s due 1961 may accede in substantial volume. Should the government bond market continue to gain at its present tempo, the attraction becomes more impelling.

The tax-exempt bond market, following the new leadership set by Treasury issues, continued the gradual rise that had been briefly interrupted a few weeks back. As recently as the middle of May more than 40 different issues of Treasury bonds yielded better than 4% and some of them yielded close to 4½%. Currently, only 12 issues yield 4% or more and the highest yield is less than 4.20%. The municipal bond market has followed this pattern, albeit much less spectacularly. The *Commercial and Financial Chronicle's* average yield Index for high grade bonds has gone from 3.45% on May 11, 1960 to 3.396% as calculated yesterday. This indicates an average dollar rise of about one point for tax exempts as against a considerably higher average rise for Treasury bonds.

Higher Municipal Market Indicated

However, the aggressive new issue bidding for municipals that now prevails, presages a considerable rise in the municipal bond market in the very near future. As new issue pricing belatedly affects the secondary market, the various averages will reflect a rather sharp rise.

Recent Financing

Comment concerning several of the recent new issues will serve to indicate this positive surge in new issue bidding. On Tuesday, June 14, several important items were up for competitive bidding. The Commonwealth of Kentucky asked for bids on $30,000,000 serial bonds (1962-1971) for highway, bridge and tunnel purposes. The group headed by the First National Bank of Chicago, Harris Trust and Savings Bank, Northern Trust Co. and Chase Manhattan Bank won the award. Bidding was very close, with the Halsey, Stuart & Co. group runner-up. Scaled to yield from 2.40% to 3.00%, the account reports an unsold balance of about half the issue. In view of the market's splurge of strength, this seems a good performance.

Another important state offering, $25,000,000 State of Michigan, Trunk Highway (1961-1985) bonds was won by the group headed by Blyth & Co., Halsey, Stuart & Co., First of Michigan Corp. and including a national membership. The only other bidding group was led by Smith, Barney & Co., Lehman Brothers, Drexel & Co. and Harriman Ripley & Co. The bonds were offered to investors at prices to yield from 2.70% to 4.00%. A good reception is reported for this large, special motor vehicle revenue issue, with a balance of about $9,000,000 at this writing.

Milwaukee, Wisconsin awarded $15,000,000 water revenue bonds (1961-1990) to Drexel & Co., Glore, Forgan & Co. and associates. The bidding was very close, with Halsey, Stuart & Co., Lehman Brothers, Smith, Barney & Co. and others furnishing the sharp competition. The issue was reoffered at prices to yield from 2.25% to 3.60% and, at the close of the order period, about $7,500,000 was reported in account.

Another important new issue that attracted aggressive bidding last Tuesday was $10,000,000 Philadelphia, Pennsylvania school district bonds (1962-1985). Here, too, the bidding was seriously competitive, with the account headed by Drexel & Co. and the Chase Manhattan just nosing out the F. S. Smithers & Co. group. The issue was reoffered at prices to yield 2.70% to 3.80%. The reported balance at yesterday's opening was about $3,500,000.

Also on Tuesday, St. Paul, Minnesota, a city whose obligations always attract highly competitive bidding, borrowed $5,633,000 by means of serial bonds (1961-90). Phelps, Fenn & Co., Stone and Webster Securities Corp., F. S. Moseley & Co. and associates were the high bidders. The bonds were priced to yield from 2.30% to 3.45%. The reported balance at Tuesday's closing was $3,400,000.

Puerto Ricos Going Well

Yesterday (June 15) an interesting and perhaps underrated borrower came to market in the instance of Puerto Rico. The Chase Manhattan Bank group was high bidder for $17,000,000 serial (1961-1980) public improvement general obligation bonds. The First National City Bank account was second bidder. The bonds were priced to yield from 2.50% to 3.90%. Investor reception is reported as fairly good.

Big Week Ahead

Sizable issues have been added to the new issue calendar since last week, although the schedule as of today is not much heavier than it was a week ago due to the heavy volume of awards this week. The total, however, is close to $750,000,000, including the $100,000,000 New York State Power Authority issue to be negotiated by Dillon, Read & Co. and associates on or about June 21. This volume, although moderately heavy, poses no threat to an orderly market under existing circumstances. The street float, according to the "Blue List," is about $307,000,000. Although heavier than last week, it is considerably lighter than the average for the year.

The demand for tax exempts is considered favorable. New issue volume has been lighter this year than last and it has been generally well distributed. As an added positive factor of tremendous impact, the Federal bond market has been the object of continuing official attention benefiting the entire bond market.

Dollar Bonds Moving Upward

On last reporting June 9 the Smith, Barney & Co. turnpike bond yield Index was 3.96%. The week previous the Index was 3.99%. This represents an average dollar rise of one-half point. Since June 9, many individual issues have chalked up gains, to wit: Illinois Toll 3¾s at 87, up 1¼; Kentucky Turnpike 3.40s at 91, up 1; Pennsylvania Turnpike 3.10s at 84¼, up ½; Kansas Turnpike 3⅜s at 77¾, up ½; and Texas Turnpike 2⅞s at 80, up 1. At present, most of these issues are in small supply and markets are consequently thin.

New Additions to Calendar

Important new state and municipal issues added to the competitive schedule during the past week include: $13,487,000 Maryland (1963-1975) for June 21; $15,000,000 Dallas, Texas school district (1961-1930) on June 30; $10,695,000 North Carolina (1961-1980) for July 6; $37,000,000 Chicago, Illinois (1962-1979) for July 7, and many of less size and importance. There are no further negotiated type issues for nearby offering other than New York State Power Authority scheduled for June 21. The Chesapeake Bay Tunnel District offering continues under discussion. A generally good bond market, with the focus on tax exempts, continues in prospect.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.90%	3.75%
Connecticut (State)	3¾%	1980-1982	3.50%	3.35%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.45%	3.30%
New York (State)	3%	1978-1979	3.15%	3.00%
Pennsylvania (State)	3⅜%	1974-1975	3.20%	3.05%
Vermont (State)	3⅛%	1978-1979	3.25%	3.10%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.50%	3.35%
Los Angeles, Calif.	3¾%	1978-1980	3.85%	3.70%
Baltimore, Md.	3¼%	1980	3.55%	3.40%
Cincinnati, Ohio	3½%	1980	3.35%	3.25%
New Orleans, La.	3¼%	1979	3.60%	3.45%
Chicago, Ill.	3¼%	1977	3.75%	3.60%
New York City, N. Y.	3%	1980	3.90%	3.85%

June 15, 1960 Index=3.396%

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Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Information, where available, includes name of borrower, amount of issue, maturity scale, and hour at which bids will be opened.

June 16 (Thursday)			
Bayonne Housing Authority, N. J.	1,000,000	1985	Noon
Connecticut	28,880,000	1961-1980	11:00 a.m.
Honolulu, Hawaii	2,000,000	1971-1990	9:00 a.m.
Newburgh City School Dist., N. Y.	2,550,000	1961-1977	3:30 p.m.
University of Tennessee, Tenn.	1,800,000	--------	11:00 a.m.
June 17 (Friday)			
Fort Lewis Agricultural and Mechanical College, Colorado	1,308,000	--------	10:00 a.m.
June 20 (Monday)			
Evansville School Corp., Indiana	1,500,000	1962-1973	3:30 p.m.
Manitowoc, Wisconsin	1,650,000	1961-1980	3:00 p.m.
Maricopa County School District No 210, Arizona	5,000,000	1961-1976	11:00 a.m.
June 21 (Tuesday)			
Alabama	50,000,000	1962-1980	11:00 a.m.
Asheboro, North Carolina	1,800,000	1961-1985	11:00 a.m.
Broward County, Florida	3,600,000	1961-1970	11:00 a.m.
Carter County, Tennessee	1,576,000	1962-1980	10:00 a.m.
Chula Vista, California	1,250,000	1961-1980	7:00 p.m.
Jersey City, New Jersey	2,000,000	1961-1980	--------
Maryland	13,487,000	1963-1975	10:30 a.m.
Milford, Connecticut	2,750,000	1961-1980	11:30 a.m.
Nashville, Tennessee	4,925,000	1960-1997	7:30 p.m.
*New York State Power Authority	100,000,000	2006	--------
*Negotiated offering by Dillon, Read & Co., Inc., Halsey, Stuart & Co. Inc., Kuhn, Loeb & Co., and W. H. Morton & Co., Inc.			
Norfolk, Virginia	9,000,000	1961-1985	11:00 a.m.
Ohio	15,000,000	1960-1970	Noon
Croville-Wyandotte Irrigation District, California	62,000,000	1966-2010	11:00 a.m.
Oxnard Union High Sch. D., Calif.	1,750,000	1961-1975	11:00 a.m.
Passaic, New Jersey	1,418,000	1961-1990	--------
Paterson, New Jersey	3,080,000	1961-1990	--------
West Orange, New Jersey	1,132,000	1961-1980	8:15 p.m.
June 22 (Wednesday)			
Albany, New York	2,508,000	1961-1980	12:30 p.m.
Anaheim, California	6,600,000	1961-1980	10:00 a.m.
Eastchester, New York	2,538,000	1961-1990	3:00 p.m.
Greenburgh Union Free School District No. 3, New York	1,050,000	1961-1990	2:15 p.m.
Maryland State Roads Commission, Maryland	20,000,000	1961-1975	11:00 a.m.
Miami, Florida	3,000,000	1963-1986	11:00 a.m.
Morehead State College of Kentucky, Ky.	1,950,000	1962-1999	10:30 a.m.
Waterbury, Connecticut	2,500,000	1962-1979	8:00 p.m.
June 23 (Thursday)			
Manatee County, Florida	1,100,000	1963-1984	11:00 a.m.
Santa Cruz, California	2,500,000	1962-1989	11:00 a.m.
June 28 (Tuesday)			
California	93,000,000	1962-2000	10:00 a.m.
Columbia County, Wisconsin	1,000,000	1961-1980	2:00 p.m.
Escondido, California	1,125,000	1961-1999	7:30 p.m.
Fayetteville, North Carolina	1,370,000	1961-1979	11:00 a.m.
Marion County, Florida	2,200,000	1962-1985	9:30 a.m.
Victoria County, County Navigation District, Texas	1,500,000	1961-1985	1:30 p.m.
June 29 (Wednesday)			
Florida Development Comm., Fla.	16,800,000	1965-1990	11:00 a.m.
Louisiana State Univer., Louisiana	6,500,000	1962-1983	11:00 a.m.
Pennsylvania State Public School Building Author., Pennsylvania	25,260,000	1960-1999	Noon
Silver Creek Sch. Bldg. Corp., Ind.	1,660,000	--------	2:00 p.m.
June 30 (Thursday)			
Dallas Ind. Sch. Dist., Texas	15,000,000	--------	8:00 p.m.
El Paso, Texas	3,000,000	--------	--------
El Paso Ind. School Dist., Texas	6,000,000	--------	--------
North East Ind. Sch. Dist., Texas	1,000,000	1961-1984	8:00 p.m.
July 5 (Tuesday)			
Alameda Co. Flood Control and Water Conservation Dist., Calif.	2,250,000	1961-1990	10:00 a.m.
July 6 (Wednesday)			
Charlotte County Special Tax School District No. 1, Florida	1,000,000	1962-1982	11:00 a.m.
North Carolina	10,695,000	--------	11:00 a.m.
Orleans Levee District, La.	1,500,000	1961-1970	11:00 a.m.
Salt River Project Agricultural Imp. & Power District, Arizona	19,000,000	1963-1992	--------
July 7 (Thursday)			
Chicago, Illinois	37,000,000	--------	10:00 a.m.
St. Petersburg, Florida	5,000,000	--------	--------
July 12 (Tuesday			
Anne Arundel County, Maryland	9,750,000	--------	--------
Anne Arundel County Sanitary Commission, Maryland	4,400,000	--------	--------
Ball State Teachers College of Indiana, Indiana	2,500,000	1962-1989	10:00 a.m.
Denton, Texas	2,300,000	1962-1990	10:30 a.m.
Escanaba Area Sch. Dist., Michigan	2,800,000	1961-1989	8:00 p.m.
New Orleans, Louisiana	6,200,000	1962-1990	10:00 a.m.
Santa Clara County, California	11,498,000	1961-1985	11:00 a.m.
July 19 (Tuesday)			
Eugene, Oregon	25,000,000	--------	--------
July 20 (Wednesday)			
Bernards Township Sch. Dist., N. J.	1,532,000	1961-1980	8:00 p.m.
Sept. 8 (Thursday)			
Los Angeles, California	4,000,000	--------	10:00 a.m.
Sept. 14 (Wednesday)			
Greenwood Metro. Sewer District, South Carolina	1,000,000	--------	--------

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The Labor Department announced this week that employment increased to 67,208,000 persons in May, an increase of 1,049,000 over April, while unemployment dropped to 3,459,000, or 201,000 below the April figure. During May the average factory worker increased his working time 24 minutes to 39.8 hours and average factory earnings by 91 cents to $90.70 a week. The average factory production worker also got 2.4 hours overtime a week, an 18 minute increase over April. There are 850,000 new workers in the labor market and school age youngsters will soon seek summer vacation jobs. The highest employment total of 67,594,000 was recorded last July, but it is expected that a new high will be made in the winter months of this year.

* * *

Economic activity in May appears to have steadied at the high levels achieved in April, the Federal Reserve Bank of New York noted in its June "Monthly Review." The April expansion in consumer demand does not seem to have pushed total factory output upward in May, but production in some industries—including automobiles — registered further gains. The prospect, moreover, of later increases in production elsewhere was indicated by a recent survey of consumer buying plans which showed buying intentions for many items to be stronger than a year earlier.

Total employment moved up sharply to a new all-time high in mid-April, as outdoor employment rose after an unusually wintry March. Unemployment fell from 5.4% to 5.0% of the civilian labor force after seasonal adjustment. Personal income showed a gain in April of $3.4 billion (seasonally adjusted annual rate), almost double the increase over the entire first quarter. According to the advance report, retail sales increased by 3½% in April. Early information suggests that in May retail sales remained at about the high April level.

A further pickup in consumer demand is suggested by the continuing National Industrial Conference Board survey of consumer buying plans. February and March interviews indicated more consumers plan to buy new automobiles, new and old houses, and certain major appliances this spring and summer than had been the case a year earlier. A further positive influence is also to be expected from business spending for new plant and equipment. The actual volume of outlays does not yet seem to have reached the levels indicated by surveys of business spending plans taken a few months ago, but there is no evidence that these plans have been scaled down in the aggregate.

In a second article, "Business Trends Abroad," the Reserve Bank finds the underlying expansionary forces strong in the major industrial countries abroad although after a year of economic boom the pace of economic advance appears to have slowed somewhat. The slower rate of expansion in the first quarter in some countries seems to have reflected increasing pressures on plant capacity and the spread of labor shortages. In most countries, however, it is expected that rising wages will swell the demand for consumer goods and induce further investment in coming months.

Industrial production (seasonally adjusted) showed an estimated increase in Western Europe of about 2% during the first quarter above the fourth quarter of 1959, after a rise of over 4% from the third to the fourth quarter of last year. In Japan, the expansion continued at a very rapid pace in the first quarter. In Canada, where the cyclical upswing has so far been modest, the economy has apparently been moving sideways, although above the level of the fourth quarter.

The most rapid production advances continued to be in the basic industries and in automobile production. Iron and steel output in the first quarter, for example, was running 30% ahead of a year earlier in the United Kingdom, and 35% ahead in West Germany. Plans for investment generally continue to be revised upward, as dwindling excess capacity, labor shortages, and keener international competition make it imperative to expand capacity, modernize equipment, and rationalize production.

While seasonal influences have helped ease price pressures since last fall, the danger remains that the expansionary process may generate excessive demand. As a result, there has been no substantial departure from the policies of fiscal and monetary restraint adopted earlier. Virtually all Western European central banks have by now acted to curb credit expansion. In some countries, the introduction of new credit controls is being considered. Central banks also have continued to issue strongly worded warnings against the perils of economic over-expansion.

Bank Clearings For Week Ended June 11, Up 3.8% Above Same 1959 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures complied by the "Chronicle," based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, June 11, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 3.8% above those of the corresponding week last year. Our preliminary totals stand at $25,368,040,654 against $24,433,283,062 for the same week in 1959. Our comparative summary for the principle money centers follows:

Week End. June 11—	000 Omitted 1960	1959	%
New York	$13,605,972	$12,895,164	+ 5.5
Chicago	1,151,806	1,197,243	— 3.8
Philadelphia	1,014,000	1,033,000	— 1.8
Boston	733,435	673,218	+ 8.9

Steel Operating Rate of 50% Forecast

Steel operations continue to head down, "The Iron Age" reports. Production will hit a low point at or near 50% of capacity on the holiday-shortened July 4 week.

But even after that, no significant rebounding is expected until late summer or early fall.

The magazine comments that most of any current optimism is based on autumn hopes and the long-term evaluation. There is nothing in the order picture now to justify hopes of a sharp uptrend in the near future.

The national metalworking weekly points out that July orders are disappointing. A recent flurry of automotive orders has subsided. Flat-rolled products appear to have leveled. But many products have not yet hit bottom.

While short-term gloom appears to dominate the market, "The Iron Age" points to these positive factors in the market outlook:

(1) Inventory cutbacks will have to end soon. Even considering summer slowdowns, a rate of steel purchasing to meet consumption will show an improvement.

(2) Automotive orders for the early rush of 1961 models will come in soon. Some bodymakers and suppliers have made their first moves, but this has not been general.

(3) In spite of some cutbacks,

Continued on page 42

New Issue June 16, 1960

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600,000	5	1966	3.40
800,000	3¾	1967	3.50
800,000	3¾	1968	3.55
800,000	3¾	1969	3.60
800,000	3¾	1970	3.65
800,000	3¾	1971	3.70
1,000,000	3¾	1972	@ 100
1,000,000	3¾	1973	@ 100
1,000,000	3¾	1974	3.80%
1,000,000	3¾	1975	3.80
1,000,000	3.90	1976	3.85
1,250,000	3.90	1977	3.85
1,250,000	3.90	1978	@ 100
1,250,000	3.90	1979	@ 100
1,250,000	3.90	1980	@ 100

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"Blue Book:" Reviews of Canadian copper, gold, iron, nickel, uranium and oil stocks—Draper Dobie and Company Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada. Also available is an analysis of **Ventures Ltd.**

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Investment Outlook and Recommended Securities — Review — Edwards & Hanly, 100 North Franklin St., Hempstead, N. Y.

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Recommended Investment Lists—For income, growth and yield — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are analyses of **Pullman Inc., Tennessee Corp.,** and **Pittsburgh Plate Glass Co.** and comparative figures on **Oil Stocks.**

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Understanding Put & Call Options —Herbert Filer—Crown Publishers, Dept. A-7, 419 Park Avenue, South, New York 16, N. Y.—$3.00 (ten day free examination).

United States Government Securities — 19th edition — The First Boston Corp., 15 Broad St., New York 5, N. Y.

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Acme Missiles — Memorandum — Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y. Also available is a bulletin on **Gillette.**

Allied Chemical—Review—Westheimer and Company, 326 Walnut St., Cincinnati 2, Ohio. Also available are an analysis of **Procter & Gamble Co.,** a review of **R. H. Macy & Co.** and data on **Garrett Corp.** and **Heyden Newport Chemical.**

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American Motors—Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Amphenol Borg Electronics — Bulletin — Carreau & Co., 115 Broadway, New York 6, N. Y.

Benson Manufacturing Co.—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Binks Manufacturing Company — Analysis—H. M. Byllesby and Co., Inc., 135 South La Salle St., Chicago 3, Ill.

California Water & Telephone Company — Annual report—California Water & Telephone Company, 300 Montgomery Street, San Francisco 4, Calif.

Castle & Cooke Inc.—Analysis—Newburger, Loeb & Co., 15 Broad St., New York 5, N. Y.

City of Memphis, Tenn.—Bonds—Bulletin — The Illinois Company, Inc., 231 South La Salle Street, Chicago 4, Ill.

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Iowa Power & Light Company—Annual report — Iowa Power & Light company, 823 Walnut Street, Des Moines 3, Iowa.

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National Cash Register — Review —Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

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Substituting Iron Ore Stocks For Some Steel Stocks

By Alan C. Poole,* *Stock Market Analyst and Research Consultant Hemphill, Noyes & Co., New York City*

Wall Street analyst favorably compares the not-as-well-known iron ore stocks to steel stocks. He finds that carefully selected ones ranging from blue chips to speculations, some of which he identifies and comments on, offer a good value and still provide a participation in the steel industry as well as a hedge against inflation. Mr. Poole anticipates a sharp upturn in steel production by late summer-early fall, and an increasing demand for iron ore.

The subject to be discussed pertains to the iron ore industry and certain selected stocks in this industry, but it is necessary in evaluating these stocks to make some forecast of steel production for the remainder of 1960. It is my belief that we have seen the lowest steel production for this year with the possible exception of the mid-summer period when mills will be closed for vacations. Within the next four weeks or so we may see an upturn in production and by late summer or early fall production will turn up rather sharply under the impact of 1961 passenger car production as well as an increase in the capital expenditures program. Earlier this year I forecast ingot production at 125-million tons, but I lower this reluctantly to 120 or possibly 115. It is debatable whether 1960 will be a record steel year or not, but, in my opinion, there is a good chance it may prove to be one.

Alan C. Poole

As far as market interest in steel stocks is concerned, I feel that in the past few days interest has switched from the glamor electronics issues into the basic cyclical stocks and I further feel that the steels will participate in a summer rise, although I question whether they will be worth the price they are selling at by Labor Day. Personally I do not feel that the steel industry is stable enough nor is the growth potential sufficiently great for steel stocks to command a better than 12 to 15 times earnings multiplier, except temporarily.

Prefer Iron Ore Stocks to Steel Stocks

Now I will turn to the subject of my discussion, namely, iron ore stocks. I feel that these stocks offer a participation in the steel industry and many of them offer good values. They have been somewhat neglected due to lack of knowledge about them. In many cases they are good inflation hedges and in spite of what the Federal Reserve says, don't be too sure that the inflation cycle is over. The next President could very easily change that.

Let me summarize, briefly, some facts about the iron ore industry. Our main source of supply of iron ore on this continent is the Lake Superior area and the trend of demand for this product is down as far as direct shipments and concentrates are concerned. With regard to low-grade concentrates, or taconite as it is called, this might be considered a growth product. Demand for Canadian ores could increase in the coming years, but let me warn that one must stay fairly close to the established companies with iron ore properties geographically located where the ore can be shipped readily. By all means avoid fly-by-night promotions. Another area with high iron content ores is South America with Brazil in particular having ores with a content as high as 68%. Venezuela has good grade deposits, but the political situation has to watched in this country. Liberia, too, has good deposits.

Now let us deal with specific companies.

Suggest Two Blue Chips

The blue chip stock in this field is M. A. Hanna selling around 110. Not only does this company have good properties in the Mesabi Range, but it has done a remarkable job of developing an inexpensive method of washing and concentrating low-grade ore. A few years ago when I was in the Mesabi Range I was surprised to note that so-called waste ore never used in 1937 but previously stockpiled at the insistence of the fee owners, was being carted to Hanna's wash plants for concentration and mixed with regular ore for shipment. M. A. Hanna also manages iron ore mines, ships ore and buys and sells it. It also has interests in other fields including anthracite coal and nickel. It conducts extensive exploration programs covering most of the Western Hemisphere with interests in Iron Ore Co. of Canada and an interest in the St. John d'el Rey property in Brazil. The company has a well diversified portfolio of high-grade common stocks including approximately two million shares of National Steel and 278,000 shares of Algoma Steel.

Of the domestic companies, Cleveland Cliffs is my second choice. This company owns good ore properties and also has large holdings of Republic Steel, Inland Steel, Youngstown Sheet & Tube, Jones & Laughlin and Wheeling Steel. Approximately 4,000 acres of timberland in Michigan are owned by Cleveland Cliffs and the company owns and operates six hydroelectric plants there. In view of the fact that this stock sells at less than 10 times potential 1960 earnings, I feel it is rather attractive at these levels. M. A. Hanna, incidentally, is selling around 20 times potential earnings, but one must remember their stake overseas is one which is not enjoyed by Cleveland Cliffs.

Mesabi Iron, a much-maligned stock for many years, has finally worked out an agreement with the Reserve Mining Co. Mesabi Iron owns and controls virtually all the best magnetic taconite deposits in the Mesabi Range and Mesabi's operations are expected to expand shortly. I feel this stock still has a great deal of attraction. The company is in a position where it will be able to pay out a large portion of earnings in dividends and could ultimately earn somewhere in the area of $6 to $8 per share, if Reserve Mining Co. doubles its plant capacity as it very possibly might within the next five years. If the inflation cycle continues, the price of ore is likely to rise and over the long term Mesabi Iron appears to be a cheap stock at $71 per share.

Turning now to a speculation, Great Northern Iron Ore selling at 20 is worth looking at. At the end of each year a liberal dividend payout is made but this can be regarded as a return on capital as well as a dividend. Last year 25% of its $1.50 dividend or 36 cents was considered non-taxable. The company might pay out $2 this year of which approximately one-quarter will be non-taxable. The future of this company depends primarily on the success of a process being developed that will use its large non-magnetic taconite ore reserves.

There are some interesting situations in Canada with Hollinger Consolidated probably one of the best. This company has substantial interests in iron ore properties in Quebec and Labrador. It is still a leading Canadian gold producer and if the price of gold were to be raised in this country, as some people feel might eventually happen, this stock could be extremely profitable. Even without a rise in the price of gold, this stock presents a good value with its iron ore interests.

Algoma Steel has some potentially valuable iron ore properties well located geographically near Sault Ste Marie which if developed could very well prove out interesting deposits. This company is also an excellent Canadian steel company.

Steel Rock at $9 per share might be considered a good speculation.

A more radical speculation with elements of shooting for the moon is St. John d'el Rey Mining selling around 17. If M. A. Hanna proceeds to develop this property on a full-scale basis, this stock could appreciate substantially. However, there are two risks involved: first, the political uncertainties always existing in South American governments and, secondly, the tremendous amount of capital needed to develop the properties.

Sees Iron Ore Increasing in U. S. A.

As a concluding point I would like to point out that the demand for iron ore in the United States is increasing. The estimated use for 1960 is around 130-million tons and by 1980 over 180-million tons should be used. Investors might do well to use some of their money which might be earmarked for steel stocks to buy a few of the iron ore stocks recommended.

***An address by Mr. Poole before the Association of Customers' Brokers at the Steel Forum, June 6, 1960, New York City.**

Granbery, Marache To Admit Partner

Granbery, Marache & Co., 67 Wall St., New York City, members of the New York Stock Exchange, on July 1 will admit William M. Lendman to partnership.

GULF STATES UTILITIES COMPANY

Notice of Invitation for Bids for the Purchase of First Mortgage Bonds

NOTICE IS HEREBY GIVEN of the Public Invitation for Bids for the Purchase of $17,000,000 principal amount of First Mortgage Bonds, % Series due 1990, of Gulf States Utilities Company. Bids for the purchase of all of such Bonds will be received by the Company up to 12:00 Noon, New York Time, on Monday, June 27, 1960, at the office of The Hanover Bank, Room A, 70 Broadway, New York 15, N. Y. Copies of the Public Invitation for Bids, which sets forth the terms and conditions relating to such bids, the Registration Statement and the related Prospectus, and other related documents, are available and may be examined at the office of Messrs. Mudge, Stern, Baldwin & Todd, 20 Broad Street, New York 5, N. Y., counsel for the prospective purchasers of such Bonds. Bids will be considered only from persons who shall have received copies of such Prospectus and only if made in accordance with and subject to the terms and conditions stated in the Public Invitation for Bids.

Officers of the Company, counsel and independent public accountants for the Company, and counsel for the prospective purchasers of the Bonds will be available at the office of The Hanover Bank, Room A, 70 Broadway, New York, N. Y., on June 23, 1960 at 11:00 A. M., New York Time, to meet with prospective bidders for the purpose of reviewing the information with respect to the Company contained in the Registration Statement and Prospectus and for the purpose of considering the matters set forth in the Public Invitation for Bids. All prospective bidders are invited to be present at such meeting.

GULF STATES UTILITIES COMPANY
By: R. S. NELSON,
Chairman of the Board and President.

Dated: June 14, 1960.

This announcement is not an offer to sell or a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.

$50,000,000

Consolidated Edison Company of New York, Inc.

First and Refunding Mortgage Bonds, 4¾% Series R, due June 1, 1990

Dated June 1, 1960

Price 100.799% and accrued interest

The Prospectus may be obtained in any State in which this announcement is circulated from only such of the undersigned and other dealers as may lawfully offer these securities in such State.

HALSEY, STUART & CO. INC.

AMERICAN SECURITIES CORPORATION — BEAR, STEARNS & CO.

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NEW YORK HANSEATIC CORPORATION — J. C. BRADFORD & CO.

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WM. E. POLLOCK & CO., INC. — SCHWABACHER & CO. — COOLEY & COMPANY

SHELBY CULLOM DAVIS & CO. — VAN ALSTYNE, NOEL & CO.

June 15, 1960.

Creating Greater Interest In Electric Utility Bonds

By George T. Conklin, Jr.,* *Senior Vice-President, The Guardian Life Insurance Co. of America, New York City*

Mr. Conklin warns that the largest buyers of electric company bonds, the pension funds, may follow the life insurance industry in shying away from such issues unless (a) interest rate becomes competitive to other investment opportunities; and (b) more adequate call protection is provided. So long as the terms and rates become competitively adjusted, there is no question in Mr. Conklin's mind that the utility industry will be able to finance its needs and remain the highest quality investment medium in the sixties as it has been in the fifties.

The financing job for the electric utility industry becomes all the more important when it is realized that unlike more manufacturing industries, which often finance the largest part of their expansion program through internal means, this industry must largely rely on the financial markets for its necessary expansion capital. The financial market for its debt capital consists of the large private financial intermediaries. The corporate bond market has been for some time and is today almost entirely an institutional market. Moreover, unless individual tax rates are materially lowered, or the tax-exemption privilege removed from municipal bonds, this is certain to be the case over the decade of the sixties. The most important institutional investors in the bond market are the life insurance companies, the corporate pension funds and the state and local funds. The life insurance companies are by far the largest investors in the corporate bond market and, what should be of very great significance to you gentlemen, is the fact that they are not purchasing electric utility bonds in any significant amount.

G. T. Conklin

The questions naturally arise (1) why don't life insurance companies buy electric utility bonds? (2) who does buy them? and why? Let us take a brief look at these questions.

Life Insurance Industry's Lack of Interest

Life insurance investors are in all probability the broadest gauged investors of any institutional group. They invest in every medium of which you can think, from mortgages, corporate bonds, tax-exempts, to real estate and other forms of equity. I know of no general field of investment in which life insurance companies do not invest. I think that most objective people would term the life insurance investors as a group of sophisticated and seasoned investors. If one field of investment becomes unattractive relative to another, as it often does, then life insurance funds leave one field and flow into the other. This is a necessary process in a properly functioning capital market. The relative demands of the various sectors of our economy for capital are constantly changing and so is the relative attractiveness of these fields to investors. At one time life insurance companies invested very heavily in public utility debt securities — indeed they were the most important investors in that industry. (From 1937 to 1950 public utility bonds comprised the largest bond holdings of insurance companies.) Then the scene changed radically to the present where we have very little interest in utility debt securities. The reasons are several:

(1) Through bitter experience in 1953-54, life insurance investors had forcefully brought home to them the importance of adequate protection against call for refunding purposes. After having suffered through two decades of low interest rates, investors finally, in 1953, were able to put money out at levels appreciably higher than in the previous two decades, only to have many of those investments taken away in 1954 when interest rates temporarily sharply declined. One issue was refunded even before final delivery was taken by the investors. Gradually, therefore, the industry became insistent upon adequate call protection and directed their investment to areas where they could obtain it, and away from areas (i.e.) where it was largely unobtainable. A survey of 57 life insurance companies conducted in 1958 by the Life Insurance Association of America revealed that, in the case of 54 of the 57 companies, protection against early redemption at a lower rate of interest was a factor of major importance in investment policy.

(2) Secondly, as the economy came into the tremendous postwar expansion with its heavy demands for capital from all private sectors, the range of investment opportunities and interest rates available to the broad gauged investor widened greatly. Consequently, life insurance funds flowed heavily into mortgages and industrial bond direct placements where heavier demands relative to the supply of funds available produced more attractive yields and better protection against refunding.

Finds Pension Funds Bailing Out Utilities

As to the second broad question raised above — if life insurance companies are not very interested in electric utility bonds with present call features and interest rates, who is purchasing these issues and why?—it is clear who the purchasers are; they are dominantly the state and local pension funds, supplemented to a lesser and lesser extent by corporate pension funds. The electric utility industry has been most fortunate in that these pension funds in recent years have enjoyed exceptional growth — their annual increase in assets stepped up from 2.5 billion in 1952 to an estimated 6.1 billion for this year. Why these funds are purchasing electric utility bonds is not clear at first glance. Surely it is not because of seasoned investment judgment, for it is difficult to understand how a "heads you win, tails I lose" bargain can, at any time, be a sound one if you have any alternatives, and the markets today offer many such alternatives, in municipals, in direct placements, in commercial mortgages, in U. S. Governments, in Canadian Governments and investments of all types, in World Bank bonds, in natural gas pipe lines, in purchase lease-backs, in equities, etc.

No, the reason is primarily because the state and local pension funds are so hedged in by legal restrictions that they have little or no option to enter the alternative fields available to other investors. Only recently have some of these funds been able to invest in anything except U. S. Governments, and then they have been limited most frequently to Aa and Aaa corporate bonds. They are thus relative newcomers to investment in the private sectors of our economy and, without reflecting upon them, it is only natural to suppose that they would not be as sophisticated investors as other more seasoned investors.

In other words, the utility industry has been blessed by the fortuitous circumstance that as the life insurance company interest in your industry's bond obligations dwindled, there appeared upon the scene another rapidly growing institution which largely, by legal restriction, had very little option to invest in anything but electric utility bonds or governments. You have been enjoying the fruits of a "trapped" and "unsophisticated" market.

The question is—how long will you be able to enjoy these fruits? I would not count on them lasting too long, for they are contrary to reasoned judgment which, in the long run, usually wins out. Investors are becoming more and more aware of the importance of call protection. Such awareness first came to the life insurance industry; at that time the corporate pension funds were paying little or no attention to call features—; then as the pension funds experienced the calling of some of their better yielding investments and became more seasoned investors, they broadened the scope of their operations and placed greater emphasis on the value of protection against refunding at lower interest rates; they became less interested in electric utility bonds, although some are still substantial purchasers, and became more interested in direct placements and equities where, if you make a good investment, it cannot immediately be taken from you. It would be most unusual if, over time, the process of seasoning of government pension fund investors does not have similar results. One more wave of refunding which would deprive investors of the higher yields of recent years would season many investors overnight.

While the life insurance companies have shied away from electric utility bonds, they have been becoming more interested in public utility preferred stocks as a result of the passage of the new life insurance tax law. Under this law, the 85% intercorporate dividend tax credit makes the after-tax yield on preferred stocks more attractive. A striking example of this increased interest in preferreds was the recent $60,000,000-preferred stock financing of Consolidated Edison of which the life insurance companies took $46,-500,000. It is interesting to note that this issue has notably better protection against refunding than the average electric issue.

Warns on Better Terms and Rates

Despite the admitted magnitude of financing facing the utility industry in the sixties, and despite the keen competition which this financing will meet from other demanders of capital funds, there is one thing that can be stated with assurance and that is—the industry will be able to finance its needs in the period ahead, and without excessive difficulty, for undoubtedly it will remain the highest quality investment medium in the sixties as it has been in the fifties. The only question will be on what terms and at what rates. In an environment of economic growth and prosperity such as your figures for capital demands imply, it is my feeling that as your requirements become greater, and as the "trapped" and "unsophisticated" market which your industry now enjoys for your

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This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

$6,000,000

United Financial Corporation of California

5% Convertible Subordinated Debentures Due June 1, 1975

Convertible into Capital Stock after September 1, 1960 at $22.22 per share

120,000 Shares Capital Stock

$1 Par Value

The Debentures and the Capital Stock are offered only in Units, each consisting of $100 principal amount of Debentures and 2 shares of Capital Stock which will not be separately transferable until September 1, 1960 or such earlier date agreed upon by the Company and the Underwriters.

Price $120 per Unit

plus accrued interest on the Debentures from June 1, 1960

Copies of the Prospectus may be obtained in any State only from such of the several Underwriters, including the undersigned, as may lawfully offer these securities in such State.

Lehman Brothers

Eastman Dillon, Union Securities & Co. Goldman, Sachs & Co.

Lazard Frères & Co. White, Weld & Co. Dean Witter & Co.

June 10, 1960.

bonds becomes less "trapped" and more seasoned, the interest rates on electric utility bonds relative to other fields of investment will rise, and more protection against refunding will be accorded investors in electric utility bonds. These developments will make the electric utility bond market a more integral part of the entire bond market, rather than a rather isolated compartment in that market, and this will bring back the interest of other investors who now find greener fields elsewhere.

*From a talk by Mr. Conklin before the 28th Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 8, 1960.

Fassel Dir. of Fusz-Schmelzle

ST. LOUIS, Mo.—Walter M. Fassel has been elected to the Board of Directors of Fusz-Schmelzle & Co., Inc., 522 Olive Street, members of the New York and Midwest Stock Exchanges, to fill the vacancy caused by the recent death of Firmin D. Fusz, Jr., according to an announcement by Albert M. Schmelzle, president.

Mr. Fassel has been a vice-president and one of the principals of Fusz-Schmelzle & Co. which he joined in 1953.

Wm. St. Sales Names Farrington

Richard K. Farrington has been appointed Director of Pension and Profit Sharing Services for William Street Sales, Inc., 1 William Street, New York City national sales distributor for The One William Street Fund, Inc. and Scudder Fund of Canada Ltd., Edward B. Burr, President, announced. Mr. Farrington will develop and supervise the company's expanding services to members of its selling group with particular emphasis upon pension and profit sharing plans and estate planning.

R. K. Farrington

Mr. Farrington was previously employed for 13 years by The Prudential Insurance Company of America, most recently as New York area sales manager-group pensions.

Dickson Instals New Wire System

R. S. Dickson and Co., Inc., underwriters, distributors and dealers in investment securities, has placed in service a new 2,000 mile teletype system which puts its New York City office in immediate touch with the firm's headquarters in Charlotte, N. C., and all of its branch offices.

The system provides automatic transmission of buy and sell orders and other financial information and is a conversion from the normal open-end wire and is designed to pick up and automatically transmit via a unique electronic scanning device, which routes messages to all branches in the network.

R. S. Dickson and Co., Inc., with its headquarters in Charlotte, N. C., maintains offices in New York; Atlanta, Ga.; Chicago; Columbia, S. C.; Greenville, S. C.; Jacksonville and Miami, Fla.; Raleigh, N. C. and Richmond, Va.

Now Sole Proprietor

Sylvia J. Hollander is now sole proprietor of Adrian H. Muller & Son, 103 Park Avenue, New York City.

Why Electronics Is World's Fastest Growing Industry

By Donald C. Power,* *Chairman and Chief Executive Officer, General Telephone & Electronics Corp.*

All four phases of electronics—defense, entertainment, commercial and industrial, and broadcasting—add up in Mr. Power's estimation to $15 billion this year, or a startling threefold increase since 1950. The total projected for 1965 is $21.5 billion, and $27¼ billion for 1970. In the 1960-1970 period, commercial and industrial electronic usage is expected to display the fastest rate of increase but the anticipated doubling of defense electronics would still keep this phase of the industry absolutely far above the others.

The electronics industry is the fastest growing major industry in the country today — if not the world—and the potential for continued future growth is substantially beyond most other large industries. Aside from the quantitative aspects of the industry's past development and its potential, electronics represents one of the most far-reaching technological developments of the past 25 years. Four or five years ago, someone described electronics as "the world's most promising technological revolution." And I would guess that anyone who wasn't convinced back then, certainly is by now. If he isn't, he simply hasn't been watching.

Donald C. Power

So that you can better evaluate some of the growth projections I will give you here now, let me go back very briefly in history and see where the electronics industry came from. As recently as the 1930's and the years immediately before the war, there wasn't any electronics industry, as we use that term today. There was the radio manufacturing and broadcasting industry, but the word "electronics" hadn't even entered the vocabulary. This business represented sales of some $500 million with employment of around 70,000 back in 1940.

Then during the early years of the war, before America was drawn directly into it, the scientists and engineers here in this country and in Europe began to find entirely new and broader applications for the vacuum tube and other types of tubes whose function is based upon the generation of electrons in a vacuum tube. The new applications of this principle became so numerous that in the early 1940's we began to hear the new word "electronics."

Reviews Growth

Out of the war effort came so many technical advances and so much new know-how that the end of the war found us with a new major industry that very few people had heard much about. But then television was taken down off the shelf, and electronics took off in high gear. The entire industry gained momentum in all its major fields, which include defense electronics, entertainment electronics, industrial and commercial electronics, broadcasting, and distribution and service.

By 1950 sales and revenues had increased tenfold to a total of nearly $5 billion against, as you will recall, $500 million in 1939 and 1940. More than 60% of the total in 1950 represented TV and radio sets, service and distribution. Defense electronics was only about $560 million, and was just beginning to move into the entirely new era of supersonic aircraft, guided missiles, and space technology

In the 10 years between 1950 and 1959, defense electronics moved up to a total of nearly $4.8 billion—because of such developments as high-speed, highly reliable communications systems, electronic navigation, electronic countermeasures and counter-countermeasures (which really mean the jamming of radar and the jamming of the other fellow's jamming) missile guidance systems, early warning systems, and the many other developments. Because national defense is becoming so increasingly electronified, and because of the enormous effort being directed toward satellites and space travel, total expenditures for defense electronics this year should be up around $5.2 billion, around $7.8 billion by 1965, and $10½ billion by 1970. In my estimation those figures are the best projection we can make today, but I wouldn't be surprised to find them revised steadily upward as we move into the 1960's, and closer and closer to the moon.

Turning now to entertainment electronics — which includes, of course, television, radio, and hi-fi — this segment of the industry reached an annual volume of more than $3.1 billion in 1950 (including the service and distribution businesses). The total passed $5 billion last year which represented an increase of nearly 70%. It should climb another $350 million this year, reach $6.7 billion by 1965, and $7.5 billion by 1970. This growth will come from new concepts in television set design, more second-set homes, and continued increases in hi-fi and radio. Three or four years ago, some people thought that entertainment electronics might be leveling off, but once again the industry has confounded the conservative thinkers.

The third largest segment of the industry is commercial and industrial electronics. Here is a field that was virtually nonexistent 15 years ago, and totaled only some $680 million in 1950. Last year it reached $2½ billion, and the total this year should be about $2.8 billion. Because of the broader use of electronic devices and equipment in commercial communications (especially electronic data processing and telephony) as well as in manufacturing processes, annual sales should climb to $4.6 billion by 1965 and $6.3 billion by 1970.

As in the case of defense electronics, these projections will probably be revised upward as the many opportunities unfold, especially in data processing, which of course is built around the computer and all of its associated equipment. I would be greatly remiss if I were not to point out that a field with an especially interesting potential is the telephone business, because of the development of many new types of devices and so-called "interconnected services" which use many different types of electronic components, and which also are making more and more use of microwave radio systems.

Turning now to the broadcasting business, revenues rose 300% from about $550 million in 1950 to $1.6 billion last year. This year will increase the total by about $100 million, and by 1965 the annual figure is projected at nearly $2.4 billion. By 1970, the projection is $3 billion.

Adds Up Projections Made

Now let's add up the various totals and see where the electronics industry as a whole is going. From sales and revenues of about $5 billion in 1950, the total rose to $14 billion last year—an increase of 180%. As many of you know, a doubling of volume in 10 years is considered pretty phenomenal in any industry, but this year, sales and revenues, according to present indications, should exceed $15 billion — which would be a threefold increase in 11 years. By 1965, the industry will have attained $21½ billion annually, and more than $27¼ billion by 1970.

These figures I have been giving you are based on a realistic projection of past trends, and on the application of logic to known historical and current facts. We don't pretend to have a crystal ball, but we can draw certain conclusions from available information — and that is what I have attempted. It goes without saying that the overall General Telephone & Electronics organization is basing its future planning as far as electronics is concerned on these projections.

Summarizes Bases for Predicted Growth

In summary, let me say that the potential for growth in electronics appears to be unprecedented from the standpoint of:

(1) The introduction of new products and services.

(2) The growth potentials in sales and revenues.

(3) The expansion of companies already in the industry and the entrance of new companies.

(4) The vast number of new applications in commerce, industry, and the home that will be found for electronic equipment and devices.

(5) The increased strength electronics will bring to National Defense.

(6) The increased opportunities for employment and investment.

*A talk by Mr. Power before the National Industrial Conference Board, New York City.

New Issue

This is not an offer to sell. The offering is made only by means of the official Prospectus.

63,656 Shares

Laboratory for Electronics, Inc.

Common Stock

(Par Value . . . $1.00 per share)

The Company is offering to its common stockholders of record June 9, 1960, rights to subscribe for 63,656 shares at the rate of one share for each ten shares held. The rights will expire at 3:30 p.m. Boston Time June 30, 1960.

During and after the subscription period, the Underwriters may offer shares as stated in the Prospectus which describes more fully the terms of the offering.

You are invited to ask for a Prospectus describing these shares and the Company's business. Any of the undersigned who can legally offer these shares in compliance with the securities laws of your state will be glad to give you a copy.

Paine, Webber, Jackson & Curtis

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Carl M. Loeb, Rhoades & Co. — F. S. Moseley & Co. — Shearson, Hammill & Co.

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Hayden, Stone & Co. — W. C. Langley & Co. — Tucker, Anthony & R. L. Day

C. E. Unterberg, Towbin Co.

June 15, 1960

Does Bank Money Cost Less Than Long-Term Financing?

By Gerard M. Ives, Vice-President, Morgan Guaranty Trust Co. of New York, New York City*

Banker dashes cold water on the belief that there is a justifiable savings in paying a bank prime rate as compared to a bond rate for long-term financing. In making clear what a commercial bank can and cannot do by way of lending, Mr. Ives says a firm's credit improves when it issues first mortgages against bondable additions, and the opposite occurs when additions are inadequate and bank loans are retired by equity sales. He advises using bank financing to provide plenty of elbow room in the timing of a financing and not as a substitute for unfunded additions.

The utility industry's high rate of growth and formidable ratio of plant account to gross revenues keeps the industry in the embarrassing position where its current assets and current liabilities are about equal and net working capital, therefore, zero. Manufacturing companies by contrast have a net working capital averaging 41% of their capitalization, a handsome reserve for current financial problems.

Current reserve, however, is more than meets the eye at first glance. It lies in the ability to sell securities that are most acceptable to the investor, and it is against this ability that the commercial banker is happy to lend temporary funds.

The size and degree of this reserve borrowing power depend, of course, on the quantity and quality of the securities the company will be in a position to sell. If a company has sufficient bondable additions so that it can completely retire its bank loans from sales of first mortgages, it should consider that any commercial bank would regard this as a good credit. To the extent that additions are inadequate and a company has to retire loans by sales of equity, to that extent the proverbial eyebrow commences to rise.

With the present healthy economic situation of the utility industry, mortgages should be salable at some price under any likely foreseeable conditions. So, to the extent that there are reserves of these additions, and therefore mortgages that could be sold against them (even though one may not actually plan to do so), to that extent a company can consider itself well buttressed with reserves, the quality of which is not too far from cash.

So, we can provide cash to pay bills until such times as the company chooses to go to the market with its long-term securities. We can give, thus, a flexibility in the timing of these sales; we can tide a firm over rough market situations; we can stand by against the hazards of delayed regulatory approval or prolonged rate cases clouding the earnings picture; and any similar factors that financial officers must weigh before coming to market.

There are things we cannot do, however. We cannot supply you with the type of money you must eventually raise, and we cannot save you (and conversely we cannot cost you) any appreciable amount because of the difference between the cost of our money and the cost of long-term money.

As this sometimes is not well understood, I thought I might be able to contribute something by discussing it further.

Doubts There Is a Claimed Savings

In 1948 we were still coming out of the cheap money era of the war and pre-war periods. But since 1951 there has not been much difference in rates between the cost of long-term money and the cost of commercial bank money. The accord between the Federal Reserve and the Treasury, it might be recalled, was announced on March 4, 1951. There was a one-point difference in rates in 1948 and, for a very brief period, you can squeeze out a point difference in 1957, but for the rest of the time the differences are minor.

But let us take this maximum one-point saving in the prime rate compared to the bond rate and see if it is sufficient to justify a change in the timing of a forthcoming financing. Let us assume a company borrows its full requirement for a year from banks at 1% less than the current cost of long-term money. The apparent saving of 1% must be measured against the higher cost of long-term money that will be encountered if bond interest rates have increased by the end of the year, when financing is done.

How much of an increase in long-term rates will wipe out the one year's saving? Let us assume that a company could sell its bonds at a 5% cost. How much would the market have to move against the company before this 1% saving is wiped out? The answer in this case is 7¼ basis points. Now in substance this 1% saving is the present value discounted at 6% of 30 years of 7¼ basis points of interest payments. But forget the mathematics for a moment and just observe that a 1% difference in interest rate between bank and bond money for a one-year period can be offset by 7¼ basis points in the cost of long-term money. 5.075% money instead of 5% and any savings are gone.

Considers Cost of Idle Money Invested

Conversely, how about the cost of idle money should a firm finance ahead of time and invest the proceeds in short-term governments until needed?

The greatest cost of idle money during the last 12-year period would have occurred during 1958, when government bill rates got as low as 1%. A nimble trader might have been able to hold cost to a couple of points difference between money cost and the yields from these bills which would have been the equivalent of about 15 basis points on long-term money.

We have assumed in these cases that a company would borrow a given amount for a year and invest a given amount for a year, but as a practical fact, a company would be borrowing gradually as it needs the money during the year and likewise selling bills gradually as it needs the money, so that if this is done equally month by month during the year, the firm's requirements or investments will be cut in half and the cost, therefore, but 3½ and 7½ basis points. How small this is in the light of swings in the long-term rate. And these swings are large, and sometimes very abrupt.

Florida Power & Light, for example, brought out a $20 million issue on March 24, 1958, at a yield to the public of 4.05%, and 19 months later repeated an identical amount of the identical bond at 5.15%, an increase of 110 basis points.

Even more violent have been the moves on the down side. Pacific Gas & Electric, for example, sold on July 23, 1957, a $60 million issue at 4.95% to the public and six months later another issue of identical bonds at 3.65%, a difference of 130 basis points. Or take two comparable issues and we have the 130-basis-point change in only three months' time, namely, from the $60 million issue of Con Edison on Oct. 22, 1957, at 4.95% to the $75 million issue of Pacific Gas & Electric at 3.65% just one day short of three months later.

Against potential fluctuations like these in long-term rates, costs or savings of three to seven basis points look pretty small. In fact, the prime rate has been at its highest just before a decline in bond rates, so it can be said that bank loans have been cheapest when they cost the most.

So, if I may summarize — unfunded additions are in the nature of a cash reserve and credit is as high as the quantity and quality of the securities can be sold to liquidate bank loans. We commercial banks cannot help sell these securities but we can be of great help in giving plenty of elbow room in the timing of a financing.

*From a talk by Mr. Ives before the 28th Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 8, 1960.

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Walker, Austin Mun. Bond Dept.

DALLAS Texas—Walker, Austin & Waggener, Republic National Bank Building, have announced the formation of a municipal bond department under the management of M. A. Hagberg. J. D. Buchanan, Jr. and Merrill C. Morong are associated with the new department as representatives.

Manley A. Hagberg

Mr. Hagberg, formerly President of the M. A. Hagberg & Co. has been in the Texas municipal field for over 20 years. Mr. Buchanan has been associated with him for many years. Mr. Morong in the past conducted his own investment business in Kansas City, has recently been active in the Texas field.

Darius Inc. in New Location

Darius Incorporated announce the removal of their office from 90 Broad St., New York City, to new and enlarged offices at 80 Pine St., New York City. The firm's new telephone number will be Digby 4-7890.

Form Bailey, Schnebelen

Bailey, Schnebelen & Co. has been formed with offices at 79 Wall St., New York City, to engage in a securities business. Partners are Norman A. Bailey and Pierre Schnebelen. Mr. Bailey was formerly with Walston & Co., Inc.

Branum Inv. Co. Opens

NASHVILLE, Tenn.—Branum Investment Co., Inc. has been formed with offices in the Life & Casualty Building to engage in a securities business. Officers are William S. Branum, President; H. P. Branum, Secretary and Treasurer.

Now Corporation

PALO ALTO, Calif. — La Montagne, Pierce & Co., Inc., a corporation has been formed to continue the investment business of La Montagne, Pierce & Co., 422 Waverly Street. Officers are Edward C. La Montagne, President and Treasurer, and Catherine D. Pierce, Vice-President and Secretary. Both were partners in the predecessor firm.

we offer...

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June 14, 1960

Timely Advice on Financing Electric Companies' Needs

By Harold H. Young, Limited Partner, Eastman Dillon, Union Securities & Co. and National Chairman, Public Utility Securities Committee of the Investment Bankers Association of America*

With no wasted words, investment banker utility specialist offers electric companies' heads some thoughtful advice on arranging permanent financing of their capital needs. Some of the topics discussed include: overcoming the problems of a saturated market and intense competition for funds; importance of flexibility in meeting big buyer's needs; keeping proper common stock equity ratios and earnings and dividends on an upward trend; and reservations about stock dividends and the elimination of subscription rights. Mr. Young surmises a reasonably adequate demand for utility stocks exists at present.

My views are those of an investment banker, the middleman, as to the outlook for permanent financing of the electric utility industry's large capital needs in the next decade. I wish I could say it promises to be routine and automatic. Unfortunately, I think it may require application to the task at hand, ingenuity and statesmanship. We sometimes get the impression that utility executives feel that good operating records, sound financial ratios and favorable reputations among investors will unlock the doors to the cash vaults. This is not necessarily so.

H. H. Young

I see two primary problems, neither of which is insurmountable. One is that many electric companies have already done so much financing that some buyers have as much of their paper as they really want. This difficulty is particularly acute as to the big companies, some of which are already paying more for their capital than their credit warrants because buyers will take additional offerings only at price concessions. One suggestion to the larger companies is that they might consider coming to the market more often for smaller bites.

A second problem is the intense competition for funds from real estate mortgages, securities of other types of corporations and tax-exempt bonds of governmental bodies. Rivalry from the latter source promises to continue particularly strong in the years ahead as explosive population increases entail the financing of public works expansions of all kinds.

Industrial enterprises offer sharp competition, especially as to the rate paid for money. Unregulated enterprises can afford to pay liberally for accommodations. Some are even offering inducements such as stock options — something the average utility is not in a position to consider but this gives an idea of the competition. In all of this, the urge for diversification, a cardinal principle of good investing, favors enterprises and agencies whose securities do not already have a saturated market.

Tailoring Securities to Meet Buyers' Needs

Speaking in detail of bonds, we find the big buyers of electric company bonds at the moment are pension funds, both state and private corporation. The phenomenal growth of the latter is one of the most interesting developments in the institutional market in recent years. It is a break for the utility companies that these funds have come into the market in a big way as some traditional buyers have become much less avid. Life insurance companies have been putting large sums in real estate mortgages and bonds of industries other than the utility business. Private placements have had big appeal. Savings banks have had ample outlets for their money in mortgages at good rates.

With pension funds the big buyers now, it behooves the companies to tailor-make their securities to meet their wishes. If at some later date other groups are the principal buyers, study their likes and dislikes and act accordingly. Be flexible. Just because they have always offered bonds with certain provisions, it doesn't mean that they cannot deviate from the established pattern.

For instance, some funds would be more enthusiastic about 25-year bonds than the traditional 30-year issues. Certain buyers would be attracted to bonds with good sinking funds. Some institutions will take only obligations with protection against call for a specified period.

Opportunities for Preferreds and Convertibles

Passing to preferred stocks, we note a constructive development last year in the passage of new Federal tax legislation which, in its application, gives life insurance companies an inducement to buy preferred stocks. Provisions of the law are complicated and not all companies are affected the same. The net result, however, has been renewed interest in preferred stocks. Some have been sold at less than the traditional spread in yield as against the bonds of the same companies. This is a good time to give thought to sale of this type of security which has not been in vogue in recent years.

I believe that more might be done with convertible securities —notably debentures or preferred stocks. Such securities tap a sizable field of new buyers. They may not be attracted by fixed-income securities, as such, and perhaps are unable or unwilling to buy common stocks but will be pleased to buy sound senior securities with a run for their money thrown in.

Increasing amounts for depreciation, together with retained earnings, already have eased the need for outside financing somewhat and these items promise to be increasingly helpful. A considerable amount of common stock has been sold in recent years by companies to increase their common stock equity ratios. These are now, in general, getting up to levels which seem fairly adequate and many companies who have felt under pressure in this connection should now find the pressure easing. Among the electric companies a common stock equity of 36% to 38% falls in a good average range. When the figure gets into the 40's, common stockholders may complain they are not getting adequate benefit from the leverage which is one of the inducements for buying utility stocks.

At the moment the best buyers of utility common stocks appear to be the pension funds, mutual funds and private investors. Life insurance companies and savings banks seem only to be nibbling. If I could tell what the stock market trends are going to be, I would not be offering here pearls of wisdom gratuitously. I can say that utility stocks as a group do not appear exploited although some individual ones look high. There are definite indications that some investors, shying away from over-priced industrials, are turning to sound-value utility stocks. Briefly, there seems to be at present reasonably adequate demand for utility common stocks.

Bear in mind that investors are looking to common stocks increasingly to offset inflation and the big emphasis is on growth. It behooves management to keep earnings and dividends on an upward trend. If help is needed from regulatory authorities, it should not be dilatory in presenting its case.

An idea has been propounded that the payment of a stock dividend annually in addition to a cash dividend may be the best way to minimize or avoid common stock financing. Some investors in the high tax brackets welcome stock dividends. On the other hand, some buyers — especially among the trust companies—want no part of them. I think it is early to pass judgment finally on this idea but stocks of the companies pioneering the plan have not responded marketwise in a way that suggests a spontaneous reception of the idea.

I note a trend toward eliminating the use of subscription rights on the part of some of the companies with which they are optional. I recognize all the arguments in favor of a straight public offering but I just suggest that in some future market where buyers are not as easy to find, the companies which have consistently made offerings to their shareholders may find some competitive advantage.

In conclusion, the task ahead may not be easy but it should be entirely possible. Companies should keep closely in touch with the potential buyers of their securities and with their points of view. Take their wishes into consideration and vary plans and procedures as necessary.

*A talk by Mr. Young before the 28th Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 8, 1960.

Muhlfeld V.-P. of Stone & Webster Securities Corp.

Frank B. Muhlfeld has been elected a Vice-President of Stone & Webster Securities Corporation, 90 Broad Street, New York City, according to an announcement by E. K. Van Horne, President.

Frank B. Muhlfeld

Mr. Muhlfeld joined Stone & Webster, Inc., the parent company, following his release from active duty in 1946. He became a member of Stone & Webster Service Corporation's financial department in 1947 and was elected a Vice-President of that corporation in 1957.

Electra Investment Co.

PATTERSON, N. J.—Electra Investment Co. has been formed with offices at 175 Market Street to engage in a securities business. Officers are T. C. Fry, Jr., President; L. W. Schneider, Secretary-Treasurer; and Willy Schneider, Vice-President.

Form Investment Co.

PORT JERVIS, N. Y. — T. M. Kirsch Company Port Jervis Inc., an affiliate of T. M. Kirsch Co. of New York, has been formed with offices at 48 Front Street to engage in a securities business specializing in the distribution of new stock issues and over-the-counter securities. Officers are Albert E. Sharpe, President and Treasurer; and Hazel Buegeleisen, Vice-President and Secretary. Mr. Sharpe has been conducting his own investment business in Port Jervis. Miss Buegeleisen has recently been with T. M. Kirsch Co.

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NEW YORK

Whither British Equities And Rates for Sterling?

By Paul Einzig

In answer to the rhetorical question as to what tendency British equities and sterling will take, Dr. Einzig knows that the general business outlook is exactly as promising as before and that the Government is prepared to turn tough in the unlikely event sterling should weaken this year. Yet, he also knows that the Government's fear of inflation may cause it to close to some degree the damper on the boom, and that Britain needs more gold than she has at present — particularly since investments abroad have declined whereas foreign sterling balances in London have greatly increased.

LONDON, England — With the improvement of the weather just before Whitsun the London Stock Exchange has taken a distinct turn for the better. Already Voltaire noticed it, when he arrived in London in 1726, the extent to which the attitude of Londoners towards most things was liable to be affected by the weather. This typically British characteristic accounts to a large degree for the change in sentiments towards equities. For, apart from it, there has been no basic change in the situation or in the outlook.

It is true, Wall Street, too, has become more cheerful, and there is no more evidence of American selling in London. In fact, the American favorites are firmer than the average which seems to show that Americans interested in British industrials are on balance buyers rather than sellers.

But the general business outlook in Britain is exactly the same as before, and so is the Government's attitude as far as it is possible to ascertain. By itself the business outlook is promising. In spite of the various restrictive measures the expanding trend continues. Even in instalment financing the effect of those measures is merely a slowing down of the advance. Other indices, too, point upward, especially in the capital goods industries. If left alone, British business would indeed have a very prosperous year, with turnover and profits rising.

The trouble is that the Government feels it cannot afford to leave the business trend to take care of itself. It is rightly felt in official quarters that a boom would result in a resumption of the inflationary spiral. Full employment has now more or less been reached, with the proportion of unemployed down at 1½%. Even though there are a few areas where unemployment is still relatively high, in most industrial districts there is now an acute scarcity of labor. Any addition to the overload of the economy would mean a stepping up of wage increases, not only as a result of agreements with the Trade Unions but also through the competitive bidding by individual employers for the inadequate manpower available.

In the circumstances the British authorities have no choice but to try to check the demand for additional labor by putting on the brake. The only question is to what degree they will apply the brake, and in what form. The last thing they would like to see is another period of stagnation or decline in the output. And since many if not most industries are now working at very near their capacity, this time it would be idle to expect any considerable increase in the output through a better utilization of equipment. Most of any further expansion would have to come through the extension and modernization of equipment. From this point of view the figures of capital investment programs of industries are very satisfactory, but it will take time before the projected increases are completed.

There is still much scope for expansion in a number of industries on the basis of existing equipment, but it will mean more overtime. The economy will now pay the price for the reduction of working hours during the last year or two. Such reductions have been conceded largely under the influence of the mild recession of 1957-58, on the basis of the argument that if there is not enough work for all workers the existing work should be spread among all instead of dismissing some. But now that there is enough work for all the change means overtime pay for part of the working day at one and one-half times the normal wage rates. It is simply another form of wage increase, in addition to the higher wage rates conceded during the past year.

In addition to pressure for higher wages and shorter hours, a new pressure has just begun to prevent dismissals through redundancy. The desire of workers for secure employment is understandable. But from the employers' point of view any measures against dismissals, such as the payment of heavy compensations, would simply mean that when a firm is doing badly it is further penalized by having to carry on its payroll unnecessary hands as an alternative to paying them off at a very costly rate. Experience in Italy shows that such a system discourages the intake of new labor. It means that during prosperous periods employers prefer to pay overtime to their existing staffs rather than increase the number of their employees. This was the main reason why unemployment persisted in Italy for so long after it declined in most other countries.

The Question About Sterling

The recent drop in sterling caused some fears of a repetition of the autumn sterling scare. Its prompt recovery has produced a reassuring effect, but the fact that for a short time sterling dropped below par during the spring when it is supposed to be firm has weakened somewhat the conviction that sterling scares are now a matter of the past. For the first time since 1957 the tendency of sterling will be watched with some measure of anxiety as the autumn season approaches. It seems unlikely, however, that we shall witness anther sterling scare this year. The domestic situation is well under control, and speculators now know that the British Government is quite prepared to turn tough if sterling should weaken.

Even so the relative position of sterling is not as strong as most people in this country would like it to be. The increase in the gold reserve has flattened out before it has reached a really satisfactory level. Compared with the West German gold reserve the British gold reserve is far from adequate. Not only Germany but also France and even Japan are showing more satisfactory increases.

In face of this situation some quarters take the line that it is in keeping with the British tradition to keep a relatively small gold reserve. What those who hold such views overlook is that the situation has changed since pre-1914 days when Britain could well afford to run the gold standard on a shoestring. In the meantime British investments abroad have declined, while foreign sterling balances in London have greatly increased. Nor does the British balance of payments show such a steady surplus as between the end of the Napoleonic Wars and the beginning of the First World War. It would be idle to deny that Britain needs a great deal more gold than she has at present.

John A. Kemper To Admit Wood

LIMA, Ohio—John A. Kemper & Co., 121 West High St., members of the New York and Midwest Stock Exchanges, on June 23 will admit C. Franklin Wood to partnership.

Droulia & Co. Admits

On June 16th Kimon A. Doukas will become a limited partner in Droulia & Co., 25 Broad Street, New York City, members of the New York Stock Exchange.

Moore, Leonard Co. To Admit Stewart

PITTSBURGH, Pa. — Moore, Leonard & Lynch, Union Trust Building, members of the New York and Pittsburgh Stock Exchanges, on July 1 will admit Robert M. Stewart to partnership.

Sade Co. Will Admit to Firm

WASHINGTON, D. C. — On June 23, Sherwood F. Webster will become a partner in Sade & Co., 905 Sixteenth St., N. W., members of the New York Stock Exchange.

Arnold Rubeck Opens

OCEANSIDE, Calif.—Arnold Rubeck is engaging in a securities business from offices at 2457 Long Beach Road.

Connecticut Brevities

Reeves Soundcraft Corporation of Danbury is the manufacturer of the magnetic video tape being used in the TIROS meteorological satellite. The product, which represents five years of research, is in use in a wide-angle lens recording system which scans an area of 800 square miles.

* * *

Directors of **Cuno Engineering Corporation** of Meriden, a producer of industrial filters and cigarette lighters, and American Machine & Foundry Co. have approved a plan for the acquisition of Cuno by AMF. The plan, subject to ratification by Cuno shareholders, calls for the exchange of 0.443 shares of previously authorized, but unissued, AMF common shares for each share of Cuno common.

* * *

Superior Electric Company of Bristol recently sold 150,000 $1 par shares at $12 a share. The company, which manufactures electronic and electric controls, will use the proceeds of the stock sale in connection with a 300,000 square foot plant currently under construction on an 85-acre site at Bristol.

* * *

Aetna Life Insurance Company of Hartford has reached an agreement to acquire a controlling interest in the Excelsior Life Insurance Co. of Toronto, Canada. The total purchase price will be approximately $5,250,000. Under terms of the agreement Aetna intends to buy 55% of the company's 25,000 outstanding shares. It is also negotiating to buy another 15% of the stock. Aetna President, Henry S. Beers cited a desire to expand its business in Canada's rapidly growing economy.

* * *

Pay-TV in Hartford has been cleared by the Federal Comunications Commission through its authorization of the purchase of TV Channel 18 by Hartford Phonevision. The purchaser is a unit, formed by RKO General Inc. and Zenith Radio Corporation to test the Zenith Phonevision method of subscriber TV at a cost of about $10 million.

* * *

The Skinner Chuck Company of New Britain has purchased the Horton chuck product line of United-Greenfield's Geometric-Horton division of New Haven. Skinner officials said that acquisition will broaden the variety of chucks it now manufactures and will assure continued availability of Horton products. Sales and engineering operations of the Horton line will be transferred immediately to New Britain and some of the 125 Horton employees will also be shifted to the Skinner headquarters within a few weeks.

* * *

The acquisition of 66% stock interest in **Casco Products Corp.** of Bridgeport has been announced by Standard Coil Products Co. The stock was acquired from J. H. Cone, Chairman, at $10.15 a share. The company plans to make a similar offer to purchase the remaining outstanding Casco shares at the same price. Casco is a manufacturer of automobile accessories and small home appliances including electric steam irons, hand power tools, and electric heating pads and blankets.

* * *

Sherman R. Knapp, President of the **Connecticut Light & Power Co.** has been elected President of the Edison Electric Institute. Vice-President of the Institute since last June, he succeeds Allen S. King, President of Northern States Power Co., as head of the trade association of the nation's investor-owned electric companies. Mr. Knapp is also a Vice-President and a Director of Yankee Atomic Electric Co., which is owned by a group of 11 New England utilities, joined together to construct the area's first atomic electric power plant.

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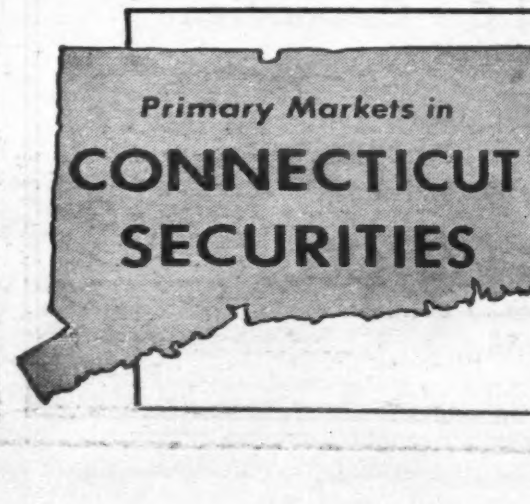

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Down-to-Earth Observations Regarding Economic Growth

By Hon. W. Allen Wallis*, *Special Assistant to the President and Executive Vice-Chairman of the Cabinet Committee on Price Stability for Economic Growth*

Economist to Vice-President Nixon strongly rebuts basic arguments posed by our country's "neo-mercantilists" to justify their authoritarian prescription for economic growth. Dr. Wallis claims Russia's economy will not overtake us in the visible future—at least not in this century, and finds its growth is exaggerated and compares unfavorably with West Germany, Japan and Mexico and even that under the Czars in the decade prior to World War I. In a vigorous defense of economic liberalism, he says any departure from our traditional way of meeting "unmet social needs" is but a device to socialize the results of production in place of the failure to socialize the means of production. Dr. Wallis reviews the methodological and definitional difficulties in measuring and comparing economic growth; takes the best of our statistical data to show, contrary to allegations made, that we are not slowing down; and pinpoints ten essential steps the government should take to assist growth.

The story of America's economic growth is one of the most remarkable pages of history. A free and enterprising people have achieved a level of material well-being undreamed of earlier, and not more than dreamed of even today in most parts of the world. And this high level is still rising rapidly. Unparalleled improvement in material levels of living, though dramatic, is far from the most important part of the story of American economic growth. Two other features are even more significant: first, the non-material benefits of economic growth, in the form of improvements in the quality of our life; and second, the broad diffusion of both material and non-material benefits to all the people.

Dr. W. Allen Wallis

Growth is not an end in itself. We do not live to grow; we grow to live better. And we do live better, not only by consuming better but also by working under better conditions. Most of the brutal physical toil formerly necessary for man to make even a meager living has now disappeared.

Economic growth has provided us with leisure to enjoy the fruits of our efforts and to engage more fully in a richer variety of cultural and recreational pursuits. It has made possible higher levels of education and enlarged opportunities for creative activity. It has greatly widened the choices open to the average citizen, and it has given him vastly increased opportunities for developing and utilizing his individual capacities. It has given new dimensions to individual dignity and endeavor. In short, our economic growth has brought us more and better means of satisfying our wants, and it has also brought us better wants.

Our Economic Growth's Dispersion

Throughout history it has been taken for granted, as it is taken for granted in many parts of the world today, that the inescapable lot of most of humanity is to live out their lives in toil, filth, misery, ignorance, and disease. Even in the greatest civilizations of the past—those that we admire most, such as Ancient Greece or Renaissance Italy—the flowering of civilization was shared by only a comparative handful of people. A unique feature of our economic growth has been the broad sharing of progress among all groups—urban and rural, workers and managers, white and colored, eastern and western. Viewed either by the perspective of history or by the perspective of other contemporary economic systems, we represent, as Vice-President Nixon told a Moscow television audience last summer, the nearest approach to a classless society.

It is well to review the story of our economic growth, not in a spirit of smug self-congratulation, but in a spirit of humility. What we tend to take for granted, and to regard as the natural and indestructible state of affairs toward which all social and economic developments inevitably progress, is in fact unique in history. It may well prove transitory unless we understand the sources of our past economic progress and pursue wise policies for preserving and cultivating the forces of progress. We still have pockets of poverty, instances of opportunities foreclosed unnecessarily, and other economic problems. All of these problems are real, many of them are important, and a few are urgent. But we can tackle our problems with more zest and confidence if we do not confuse lack of perfection with lack of progress, or with being second rate.

What Is Economic Growth?

Economic growth is one of the catch-phrases of the day. Behind the phrase there are, to be sure, real and important issues; but they are not simple issues, and confusion results from efforts to oversimplify them. Economic growth is difficult to define and more difficult to measure.

Generally, people think of economic growth as an increasing supply of goods and services. This is all right as far as it goes, but it doesn't go very far. As population increases, a larger supply of goods and services is needed to maintain a constant level of output. An economy may get bigger—or "grow" in an absolute sense, perhaps even as a world power—without adding to individual welfare. Obviously, growth must involve rising levels of *per capita* output if it is to mean increased welfare.

But this is not all. Growth in any meaningful sense must mean not just more things, but more things that are useful and that people want. Today we produce such things as automobiles, television sets, and missiles, instead of surreys, stereopticons, and cannon balls. Evolution in the composition of output is as much a part of economic growth as is expansion of the volume of output. Similarly, if growth is to be meaningful the output must be well distributed among all the people.

In our economy, changes in the composition of output reflect the free choices of the people, and the valuation of the output reflects the values placed on goods and services through voluntary purchases and sales. Private output conforms to choices made in the market, and public output to choices made through political processes by freely elected representatives. In a centralized economy, both private and public output reflect the choices and values of the authorities, and the values placed on goods and services also represent authoritarian decisions. There is no valid criterion of the extent to which the nominal "growth" achieved by a centralized economy is meaningful growth in terms of the aspirations and desires of the people. Furthermore, with centralized economic authority the benefits of growth need not be distributed widely. Total and per capita output can rise, while the living levels of the masses are rising little or not at all.

Clearly, true growth must refer to economic welfare. This means we must consider not only goods and services but non-material aspects of growth. As our productive capacities have risen, we have chosen to take part of our growth in the form of leisure and improved working conditions. In fact, an economy could be growing even though output per capita were stable, if at the same time the amount of time and effort needed to produce that output were declining.

If the concept of growth is complex and elusive, as I have been trying to indicate that it is, the problem of measuring growth is fearsome. Not only do we lack adequate data, but the qualitative and non-material aspects of growth are impossible to quantify. A confession of St. Augustine more than 1,500 years ago about the concept of time ought to be repeated daily by all who purport to measure economic growth. "For so it is, oh Lord my God, I measure it; but what it is that I measure I do not know."

Six of the most common gauges of economic growth are the percentage rates of increase in:

(1) Real Gross National Product, that is, GNP adjusted for price changes;

(2) Real GNP per capita;

(3) Industrial production;

(4) Output per man-hour worked;

(5) Output per unit of labor and capital combined; and

(6) Real disposable personal income per capita.

Before considering what each of these gauges appears to show, let us consider certain major shortcomings that seriously limit what any of them really show. These ubiquitous flaws, which create troubles for anyone trying to compare growth rates between countries or between times for a given country, are:

(1) Deficiencies of data,
(2) Vagaries of valuation.
(3) Aberrations of averages, and
(4) Treacheries of timing.

About the deficiencies of data I will say little, except that the basic figures on GNP or industrial production even for this country—and ours are the best in the world — involve liberal use of estimation and guesstimation, of interpolation and extrapolation, of approximation and adjustment. With respect to Russian data, I now know, and you too, that it is a lot better than I thought a month ago; but it is nevertheless hardly better than conjecture at many crucial points.

The valuation problem I have already alluded to. The list of things produced includes such heterogeneous products as apples, nuts, bolts, cloth, appendectomies, tractors, missiles, financial writing, and speeches. To measure the list by a single number it is necessary to put a value on each item. In a market economy, we can value most things by prices people voluntarily pay and accept. Even in our economy, however, a large and increasing share of output is governmental, and can be valued only in terms of things used up. But just using up something by no means guarantees that an equal value is created; sometimes it is more, too often it is less.

The magnitude of the valuation problem is shown by the comparatively simple problem of comparing Russian GNP with ours. The two lists of products must be valued by the same prices, otherwise the comparison will reflect differences in prices, not just differences in GNP. If Russian prices are applied to their output and to ours, our GNP is nearly four times theirs. If American prices are applied to the outputs of both countries, we are only twice their size. Russian GNP is commonly described as 40% of ours. This results from splitting the difference, but the difference that is split is not between two and four, which would give three, but between 27% and 53%, which are the two estimates of Russian GNP as a percentage of ours.

Averages Can Be Tricky

Averages can be tricky, and every one of the growth measures is an average of divergent rates of growth prevailing in different parts of the economy. It is possible, for example, for the overall average to go up even if every separate part is constant or even declining. To see that this is possible, suppose that a country has half of its economy in agriculture, and that growth is slower in agriculture than in the other half of the economy (both these things are true of Russia). The average rate of growth for the whole economy will be half-way between the rate for agriculture and

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Kuhn, Loeb & Co. McDonald & Company

June 16, 1960.

The Developing World of Trade and Investment

By George Olmsted,* President, International Bank, Washington, D. C.; President, Financial General Corporation

Mr. Olmsted examines the rapidly developing trends in Canada and the United States, and the accelerated changes in trade and investment opportunities no longer confined to traditional areas. In referring to the new concepts in international financing, the banker emphasizes that "isolationism in financing has become as obsolete as political isolationism" and "businessmen . . . must look at the world as a great market that calls for a whole new concept of thinking, planning and action." Discussing East-West trade, Mr. Olmsted criticizes exaggerated views held and notes that Canada's $1.7 billion exports to Red China is little over one-half of what it sells to Hawaii alone. In one of his many area analyses he observes that U. S. financial interests are slow in responding to Alaskan potentialities compared to the Japanese.

In the past our thinking in the United States has been oriented principally to Europe, which stems back to our ancestral roots. One of the things we must now do is to develop more of a total world concept in place of a Europe - first concept. This applies to our national tendency to overlook or take for granted Latin America, and certainly it applies to the great Pacific area.

George Olmsted

In just one field, the natural gas industry, we see how the opening of the fields in the Fort St. John area alone spurred "the construction of Canada's first natural gas pipeline; it has meant large new industries for the Peace River area; it has brought hundreds of millions of dollars to Canada; it has resulted in the completion of Canada's first north-south railway; it has meant a big population growth and more wealth in royalties and land sales for the province," according to Lloyd Turner, Vice-President of the Westcoast Transmission Company Limited of Vancouver, D. C. In a speech he made last November at the Twelve Resources Conference, Mr. Turner also declared: "There is no doubt that slowly but surely the center of interest for the entire North American oil industry is moving northward from Tulsa and other American areas to Calgary, to Edmonton, to Dawson Creek, Fort St. John, and maybe even farther north. We feel that eventually this industry will pivot on resources north of the 49th parallel."

All of the free world has a great interest in Canada's oil resources and in its lumber and fishing industries, agriculture, minerals, and water power as well.

Canada Prospects

Canada is rich in these natural resources that the world will need in greater volume in the coming years. The development of these resources, however, will take money, vision, courage, patience and endless effort.

To attract the capital it needs, Canada must interest the investors beyond its borders. They must become familiar with the following facts: Canada is one of the world's fastest growing countries. It has vast untapped mineral and vegetable resources. Its living standard is the second highest in the world. It is the largest country in the world after Russia, and more than double the size of Europe. It is the third largest producer of grain in the world. Its forests are the largest remaining timber resources outside of Russia. It is the leading producer of pulp and paper in the free world, and the second largest producer of lumber.

The outside world should also be told that Canada is a world leader in energy resources, and ranks high in manufacturing.

Do its friends abroad know that foreign trade is the keystone of the Canadian economy? Do its friends at home know that exports of goods and services account for over one-fifth of your gross national product, and take about a third of its total production, while providing jobs for three out of every eight workers?

With the products of farms, forests, and mines shipped abroad in raw or finished form, Canada is already a leading nation in world trade. I believe it has the opportunity to become an even greater factor in world trade in the coming years.

The experts point to great growth in the Canadian economy in the next 10 to 20 years. Population alone is estimated to move up from the present 18-million-plus to 19.5 million by 1965, to 21.6 million in 1970, 23.9 million by 1975, and 26.5 million by 1980.

More people, of course, mean more homes, more food, more demand for the conveniences and luxuries of life, and more production for foreign trade.

Gross national product of Canada is expected to rise to $39.9 billion by 1965, $50.2 billion by 1970, and $76.1 billion by 1980.

Just from this peek into a few of the growth trends in Canada it is possible to see that it is on the threshold of a new era of national expansion even greater than the spectacular years through which it has passed since World War II.

U. S. Prospects

What changes will there be in the United States by 1970?

One thing we can be sure about as we look ahead is that the United States will be greatly changed.

There will be 33 million more of us, or 210 million Americans by 1970. The number of families and households will go up another 10 million to nearly 62 million.

Spectacular rises in the population and number of families will create greatly expanded markets for housing, food, clothes, lumber, recreation, travel, home appliances, and nearly everything you and I make or sell.

Twenty-three million more cars and trucks will be crowding the streets and highways, bringing the total up to 90 million vehicles by 1970.

Downtown areas of big cities will become more crowded, urban renewal will have to be stepped up to modernize outdated areas.

Industry decentralization will be accelerated, and more farmland will be converted to residential and industrial use.

More grade schools will be needed to provide for six million little children, more high schools for four million more teen-agers, and colleges and universities will have to take care of 70% more students as their enrollment goes up from the present 3.7 million to 6.4 million in these 10 years.

Fourteen more million workers will be added to civilian employment to make up the 83.4 million civilian jobs we must have to meet the nation's need by 1970.

I think we can see from this look at just a few of the signposts

Continued on page 44

All of these shares having been sold this announcement appears as a matter of record only.

NEW ISSUE June 13, 1960

269,000 Shares

Megadyne Electronics, Inc.

Common Stock

(Par Value $.10 per Share)

Underwriter

THE GLENN ARTHUR COMPANY, INC.

26 Broadway New York 4, N. Y.

THE MARKET . . . AND YOU

BY WALLACE STREETE

The stock market's strong rebound ran into opposition this week but without chilling the enthusiasm that anticipates more progress before the traditional summer rally is officially declared over.

* * *

It was largely a seasonal phenomenon with the only change in the news to bolster the market coming from preliminary evidence that the persistent decline in the steel operating rate was, if not bottoming out, at least leveling off.

Steel Outlook Mixed

The pace at which the ultra-basic steel mills was operating has been unduly depressing on the market. Large inventories were built up, and not worked off, during the steel strike of late last year. And while it would be normal for the steel consumers to whittle away at their inventories once the strike was settled, apparently this went on longer than the market analysts had anticipated.

Industry statements were confident ones, although leaving room for possibly another lull before the summer doldrums can be counted over, but anticipating a good fall pickup. As far as the steel shares were concerned, they weren't obviously popular until more concrete evidence is at hand to show a good pickup in new orders.

* * *

Autos similarly were largely neglected until it is clear what effect the widespread demand for the compact cars has had on profits. The smaller and more barren units admittedly have less profit potential than the more luxurious cars in the standard lines.

* * *

But before the hesitation set in, the Dow industrial average had retraced approximately two-thirds of the path it fell early this year. Last week's gain, at least as far as this average is concerned, was one of the sharpest in history and, by other measurements, was the largest in several years.

* * *

The surface indication of all this is that there is still plenty of investment money available if the owners think that prices are attractive and that the investment climate is good.

Rails Still a Drag

The drag on the list was an old story. That is the inability of the rails, even in the face of much merger talk of which a great portion is acknowledged to be real, to get going convincingly. To the technicians the rails faltered on reaching a critical breakout point on the upside. With better action in this quarter, the chart followers would be more confident and add to the chances of the summer rally getting near, or eclipsing the all-time peak posted by the industrial average on this year's second trading session.

* * *

The concentration on issues where sharp gains in sales and profits have been showing was a market facet again leaving abandoned some of the better statistical bargains in such basic lines as food, stores and even some of the public utilities where growth is steady although not startling.

Fairmont Foods which is relatively immune to cyclical swings has lolled in a range of not quite five points so far this year although it offers an above-average yield of around 5%. Fairmont has been whittling its less profitable lines, while expanding with its spare cash. So there has been no growth in sales to capture investor interest. On the other hand, its expansion hasn't resulted in any stock or earnings dilution. In fact, per share earnings have been growing steadily and the dividend has been increased each year since 1955.

Fairmont's declining sales picture has obscured the fact that since War II, the firm has shifted product emphasis importantly and the low-profit items that produced 70% of its business have now been supplanted by high-profit items to where they produce three-fourths of sales. And the company has bowed into the leisure food lines and seems headed toward the frozen food ones as its next stage of diversification.

* * *

The airlines, despite fare increases, and booming travel, have had little following with investors whose interest has been concentrated on the heavy expenses of shifting over to jet planes rather than the favorable aspects. American Air Lines, the giant of the domestic carriers, was able to post a 30% boost in revenues during the first third of the year and show a minor profit for the unseasonal period against a deficit of more than a million dollars in the same period last year. But the stock sold more than a dozen points higher last year. At its recent depressed level, it offers a 5% yield.

Interest Stirring in Bank and Insurance Stocks

The recent discount rate cut concentrated considerable research department attention on the bank stocks but,

so far, without whipping up much in the way of enthusiasm. Bank of America, the colossus of "department store banking" is still available at some 15% discount from its high for this year. Yet its earnings are improving and heading toward where a new record should be set for the entire year. And while this is the world's largest private bank, it shows no signs of letting up on its expansion, having opened 18 new branches so far this year with another 25 slated to be opened before the year is out. At the moment its collection of branches is a fabulous 682. The yield runs well into the 4% bracket on a payment that should come close to being earned twice over.

* * *

Insurance companies also were cited as standing to benefit from the shift in the money market but particularly for casualty companies, the recent problems have kept many investors on the sidelines. Continental Insurance has had a mundane trading life so far in 1960, its range not quite stretching to a dozen points. This company —one of the few available in listed trading—like other casualty ones seems to have reached, or be on the brink, of a turning point in its underwriting experience. In 1958 it lost more than $3 a share and trimmed the loss to $1.58 last year. Projections indicate that its underwriting will be in the profit column this year, so it could have made the significant shift.

Diversified Textile Company

American Viscose, which in the past was cited as an outstanding example of good diversification, in recent years seems to have suffered in tune with the private depression in the textile industry generally than from internal problems, although it has had an erratic earnings record for a bit. It did, however, show a substantial improvement last year when earnings from some of the new ventures perked up.

* * *

Avisco specializes in joint ventures, apparently, having operations in which it is teamed with Monsanto in nylon and acrilan; with Puget Sound Pulp in a pulp operation and with Sun Oil in a plastic corporation. The stock of Avisco in any event is available at a discount of a score of points under last year's high.

Prospering Gillette

Gillette Co. is an outstanding enterprise where public acceptance of the name is pretty much confined to its best known line, razors and blades including its new blade which is being promoted vigorously. Actually, Gillette is important in hair preparations with its Toni division, and in the ball point pen field with its Paper Mate. Of newer note is marketing proprietary drugs for Upjohn Co.

Earnings were boosted some 12% last year over 1958, with further improvement seemingly assured for this year after an impressive showing Gillette made in the early months. The company is a cash-rich one, a long-time dividend payer and its payout has averaged unusually high at 69% of net earnings. This year's results are expected to run more than a dollar over the dividend requirement. The margin hasn't been that wide for the last three years.

* * *

National Starch is a comparatively neglected item that has made the shift from where its textile customers are relatively minor now although they once were the major part of its business. It has branched out into synthetic resins and adhesives and has an established position with packaging, paper, furniture and paint industries. Its recent progress has been superb. It produced record earnings last year, eighth successive year in a row. Its dividend has been increased in nine of the last 10 years.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

IDAC Convention Opens in Canada

The 44th Annual Meeting of The Investment Dealers' Association of Canada is opening today, June 16th, at the Manoir Richelieu, Murray Bay, Quebec, and will extend through June 19, 1960.

The President of the Association, Norman J. Alexander, General Manager of James Richardson & Sons, Winnipeg, will be in the Chair. Over 390 members and their wives are attending this meeting, together with representatives from the press.

The Honorable Onesime Gagnon, Lieutenant-Governor of the Province of Quebec, will open the meeting.

The guest speakers will be Henry Clay Alexander, Chairman of the Board, Morgan Guaranty Trust Company of New York, and J. W. Kerr, President, Trans-Canada Pipe Lines Limited. It is also planned to hold two discussion forums on Municipal Finance and Portfolio Management.

Fennekohl Opens Newark Office

NEWARK, N. J. — Fennekohl & Company, Incorporated, of New York City, has opened a branch office at 24 Commerce Street under the direction of Marshall Fligel, who has been elected a Vice-President of the firm.

Witter to Admit

SAN FRANCISCO, Calif. — Dean Witter & Co., 45 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges, on June 9 will admit Howard A. Frame to limited partnership.

Dominick Marks 90th Year With 10 Year Forecast

When 1970 rolls around, the average American family income will have increased nearly 50% above its present figure, according to a Ten Year Investment Forecast, published by Dominick & Dominick, investment bankers and brokers. June 15 marks the firm's 90th year in the investment business.

A. Varick Stout

The publication, which summarizes the economic forecast on which Dominick & Dominick is basing its own plans, was prepared by the firm's research department, according to an announcement by A. Varick Stout, senior partner. It is devoted to an examination of the background for investment and an exacting scrutiny of the probable course for growth industries in the next ten years. Here are some of the predictions:

Trading on the New York Stock Exchange and other exchanges of the country will nearly double today's volume with an even greater proportion of increase among U. S. investors.

Inflation, one of the major investment influences, will not be so intensive and a decade of relative stability is ahead.

Rising production and demand for consumer goods will call for more power to run better machines, requiring business to add substantially to its investment in equipment.

U. S. industrial research expenditures will reach the $15 billion annual rate within a year; a $35 billion annual rate by 1970.

Sustained growth, increasing production and efficiency will come from a 15% larger labor force, an increase of 75% on the machinery investment per worker, and at least a doubling of power required to run these machines.

A "population explosion" will bring sharp increases in the high-consuming segments of the population: the teenagers and the young marrieds, along with a higher proportion of retired people.

The real impact on purchasing power will be greater than that indicated by changes in the dollar.

Increase in discretionary income —the amount left over after paying for essentials—will lend the greatest force to an expanding economy.

Gross National Product will expand at a rate of at least 3% annually—or 40%, compounded over the next ten years.

Investors should allocate most of their equity funds to industries which face a growth in sales of at least 80%.

The investment banking firm of Dominick & Dominick was founded in 1870. It has offices in New York City, Buffalo, N. Y., London, England, Paris, France, and correspondents in 21 cities in the United States and Canada. The firm is putting the finishing touches on a major move at their 14 Wall Street address. In addition to major installations of electronic data processing and record-keeping equipment, Dominick & Dominick is training new personnel, adding equipment and increasing space for all departments.

Forms Robinette Co.

BALTIMORE, Md. — Robinette & Co., Inc., has been formed with offices in the Old Town Bank Building to engage in a securities business. Officers are John H. Robinette III, president; James O. Robinette, vice president; and W. C. Robinette, secretary-treasurer.

Ed Kennedy Opens

TULSA, Okla.—Edward B. Kennedy is engaging in a securities business from offices in the Enterprise Building under the firm name of Ed Kennedy Investments.

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This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offer is made only by the Prospectus.

NEW ISSUE — June 10, 1960

300,000 Shares

Yale Express System, Inc.

Class A Stock
(Par Value $.25 Per Share)

Price $5.50 per share

Copies of the Prospectus may be obtained from such of the undersigned as may legally offer these securities in this State.

Michael G. Kletz & Co.
Incorporated

Stanley Heller & Co. — Gerstley, Sunstein & Co. — Hardy & Co.

John H. Kaplan & Co. — Laird & Company, Corporation — Ross, Lyon & Co., Inc.

Woodcock, Moyer, Fricke & French
Incorporated

Oppenheimer & Co. — F. L. Salomon & Co.

Inevitable and Essential Power From Peaceful Atom

By James F. Fairman, Senior Vice-President, Consolidated Edison Co. of New York, New York City*

In a progress report on the application of atomic energy to the generation of electricity, Mr. Fairman tackles the bewildering barrage of claims and counter claims regarding its economic feasibility, need and safety. The utility officer places the State of New York with other high cost fuel areas that stand to benefit from nuclear power. Moreover, he says the future needs of this country and the world for new sources of energy are compelling justification for our national policy and our present efforts to develop this power economically. Recalling what has transpired in the past six years since the Atomic Energy Act's amendment encouraged entry of private companies into this field, Mr. Fairman observes that the millenium is not just around the corner any more than was the electric bulb at first.

Atomic energy has caught the imagination, and aroused misgivings, as have few scientific and engineering achievements. Its promise in the fields of medicine, biology, agriculture, and electric power has been accompanied by a wide public realization for the first time of the existence, nature, and effects of radiation. In addition, the development of atomic energy has become involved, for good or ill, in domestic politics, the Cold War, and the international prestige of the United States.

James F. Fairman

We have been subjected, as a result, to a bewildering barrage of claims and counterclaims, charges and countercharges. There are those who have made extravagant promises about the atomic world of tomorrow, "electricity too cheap to meter" is one that comes to mind, and there are others who have painted the darkest pictures of the consequences of adding to the world's natural radiation. An author in a recent issue of a national magazine went so far as to suggest that all of the passengers of the Andrea Doria might have been killed if that unlucky ship had been powered by an atomic reactor.

This playing on the hopes and fears of people has led to confusion in the minds of many thoughtful Americans. They wish to do what is right and good, but they do not know which way to turn or whom to believe. I suggest that it is possible to discuss atomic energy unemotionally and with reason and prudence.

Now that the scientists have laid the groundwork, there is no great mystery about atomic power. A large proportion of the electricity produced in this country, about 80%, requires heat as the first stage in the process of energy transformation. The heat of burning coal, oil, or natural gas turns water into steam. The expanding steam drives a turbine which, in turn, spins an electric generator.

Discuss Competitive Cost Factor

It may be of passing interest that heat is essential in a variety of devices now under study or development for the future production of electricity. In addition to nuclear fission and fusion, we read of direct conversion, and that tongue twister, magnetohydrodynamics. All of these devices involve the conversion of heat energy into the flexible and more easily divisible and transportable form of energy we call electricity.

The only one of these concepts anywhere near ready for commercial development is that making use of the heat given off when atoms split or fission. Engineers in the electric industry are bending their efforts to substitute this heat for the heat of ordinary fuels in the process of generating electricity. We have known it can be done since the submarine Nautilus made her maiden voyage. But problems remain in the economic application of the concept on a commercial scale which take time to solve.

The economics of electric power production are the daily concern of utility engineers. We are constantly looking for some way of holding the line by reducing the investment in and the operating costs of our equipment.

The equipment we now use to store and handle ordinary fuels and to make steam represent about 14% of our investment while the cost of the fuel is about 20% of the total cost of producing electricity. These are the benchmarks we must use to judge the economic feasibility of the structures and equipment of an atomic power plant and of the new atomic fuels. Atomic power will only be competitive with power from conventional fuels when the cost of owning and maintaining the structures and equipment of an atomic power plant and the costs of atomic fuel, considered together, do not exceed the corresponding costs of a conventional plant.

Feelings of Impatience

We Americans are an impatient people. In speaking to a group of engineers recently, I compared the work being done on atomic power to the launching of a space satellite by a rocket. We are thrilled by the rocket as it blasts off, but we tend to overlook the agonizing months and years that have gone into the preparation for the shot and we forget this is only a means to an end—the collection and careful interpretation of the data sent back by the satellite—if its delicate instruments function properly.

Atomic power was launched with just such a fanfare as the count-down and launching of a rocket. But there was a great difference. Research and development were just beginning. The design and construction of atomic power plants were still ahead. Not until this work is done and several plants placed in operation can we begin the interpretation of results which will lead to improvements and point the way to economic feasibility.

Engineers can become impatient, too, and I find it salutory to reflect from time to time on the technical history of electricity. It was a little more than two hundred years ago that the scientific minds of Europe and America began to discover the secrets of electricity. Ben Franklin's kite is firmly embedded in the folklore of this country, and there are other familiar names — Ampere, Volta, Faraday — who gradually laid the scientific groundwork for today's modern electric systems.

When I am feeling most impatient, I remember that Faraday discovered the principle of electric generation in 1831—but it was over 50 years before a practical and universally applicable use was found for electricity — Edison's electric lamp.

I take heart from this history. It was just before the turn of the 20th century that a Frenchman, Becquerel, inadvertently discovered that radium affected photographic film in the same way that man-made X-rays did. This discovery set off a flurry of scientific activity by the Curies, by Thompson, by Rutherford. Einstein formulated a theory that would one day explain atomic energy. These scientists can be compared to Franklin, Ampere, and Volta—men who laid foundations for advances into new frontiers.

Not until 1932 was the prime tool of nuclear scientists discovered, the atomic particle called the neutron. This particle served as an atomic bullet which could be used to probe the secrets of the atom. And, while Fermi and others probably did it earlier, it was six years before they realized that with the neutron they could actually split or fission atoms and release energy.

That was the year Hitler occupied Czechoslovakia. Two years later Europe was engulfed in war. Pearl Harbor came in 1941. The atom became an instrument of war.

Quite naturally this potent and infinitesimal instrument was placed under the strictest of government control. Not until the last decade has the veil been lifted and less than six years ago American industry was given the opportunity to try its hand at putting the atom to work.

Real Start Permitted in 1954

Few of us knew how big was the challenge we sought and accepted back in 1954, when Congress amended the Atomic Energy Act to permit private companies to build, own and operate power reactors. But we soon found out. In the three quarters of a century since Edison started commercial distribution of electricity, the electrical industry has experimented, developed, and built highly efficient boilers, turbines, and generators to turn the energy of heat into electrical energy. Our problem was to use an entirely different source of heat, heat from splitting atoms, and to use it as safely, as efficiently and as cheaply as we have learned to use the heat from coal, oil, or gas.

The use of atomic fuels and the design of reactors poses many new technical problems for engineers. They must investigate the characteristics of uranium, hafnium, zirconium, thorium, and other exotic metals. They must learn how conventional materials react to radiation. They have had to develop ways of removing the minutest traces of impurities in water. Protection from radiation requires new types of buildings to house the reactor plant. As no one enters these buildings during operation of the reactor, it is operated remotely, which forces the design of elaborate control systems. The collection and handling of industrial wastes incidental to the operation of the reactor is complicated by the use of radioactive material in the plant. Provision must be made for the careful handling and temporary storage of spent fuel elements before they are shipped to reprocessing plants.

Why, you may ask, do we want to try to use atomic energy? Why not be content with what we have?

Over-Riding Need for Power

There are a variety of reasons for our pursuit of economically competitive power from the atom. But there is one over-riding motive. Our civilization is based on power. The Industrial Revolution we studied in school coincided with the development of steam power derived from the heat of coal. In the 19th century we added oil and natural gas to our supply of fossil fuels and began to convert steam power into electricity.

We do not need to be reminded of the changes these technical advances have made in the way we live. But how many of you know that we have used as much fuel in the last hundred years as we used in the first 1860 years of the Christian era?

The world's consumption of nature's resources shows every sign of increasing in the future. A hundred years from now we may burn as much fuel in one year as we have burned in the last hundred.

This headlong use of our sources of energy makes it imperative we develop new sources if we are to maintain our own way of life, and the world is to begin the uphill struggle to achieve a passable standard of living in the backward areas. Atomic energy can contribute a large share of the world's future energy needs. We sincerely believe atomic energy will also help us keep down the costs of these energy requirements. Our generation would be derelict in its duty to our descendants if we do not seek to explore and develop new energy sources.

A secondary motive, and one of special appeal to women, is the reduction of airborne dust particles associated with the burning of ordinary fuels. Atomic fuel is not "burned" in the ordinary sense. The products of atomic combustion do not pour out of smokestacks. This fuel is enclosed in metal containers called fuel elements. The unburned fuel as well as the wastes produced during the operation of the reactor remain in the elements until they are reprocessed to recover the unused fuel.

Atomic power plants can be an important factor in overcoming air pollution. As we use more and more energy, we live closer and closer together in urban centers, and drive everywhere in automobiles, air and water pollution become of greater concern. Utilities spend significant amounts of money on air pollution control equipment to assure the elimination of up to 99% of the solid matter left over after coal is burned.

Many may remember, as I do from personal experience, the daily chore of hauling out the ashes from a coal furnace, may get a chuckle out of an article which appeared in the **Scientific American** several years ago. The author wrote in a humorous vein about the problems engineers will face a couple of thousand years from now if uranium supplies are depleted and the world has to go back to using coal. Using the jargon of the science writer, he discusses remote control operating equipment, the disposal of ashes and gaseous wastes, and the difficulties of providing the proper conditions so the coal will burn properly and efficiently. He concludes that coal-driven power stations will ultimately be feasible.

Reality of Radiation

We can smile at this whimsical treatment of problems which we handle as a matter of course. But much of the talk today about radiation and atomic energy is as far removed from reality. The writer who expressed concern about the use of atomic power on steamships betrays his ignorance of reactors and radiation. The wastes in the fuel elements of the reactor, which is surrounded with shielding, would not be dispersed merely because the ship sank. And water is one of the best radiation shields we know. As had been pointed out many times, the men who man our atomic submarines are subjected to less radiation while they are submerged than they would receive while walking down the street of their hometowns.

International and national com-

This announcement is under no circumstances to be construed as an offer to sell or as a solicitation of an offer to buy any of these securities. The offering is made only by the Offering Circular.

NEW ISSUE

June 14th, 1960

150,000 Shares

Speed-Way Food Stores Inc.

(a New York corporation)

COMMON STOCK

(par value one cent)

OFFERING PRICE: $2.00 PER SHARE

Copies of the Offering Circular may be obtained from the undersigned.

J. J. KRIEGER & CO., INC.

120 LIBERTY STREET NEW YORK 6, N. Y.

COrtlandt 7-8033

mittees of medical and other professional men have made exacting studies of the effects of radiation. From these studies they have derived standards for safe concentrations of radioactive materials and levels of radiation exposure for industrial workers and the general public. Guided by the standards of the International Commission on Radiological Protection and the National Committee on Radiation Protection and Measurements, the Atomic Energy Commission has established rigid regulations for the operation of power reactors.

By far the greatest amount of radioactive materials used and produced in a power reactor will be contained within the fuel elements themselves. When these elements have served their useful life, they will be shipped to reprocessing plants where unused fissionable material or fuel will be recovered. The wastes will be stored on government reservations under government supervision.

The wastes from reactors that produce plutonium for weapons are stored in this fashion. It will be several decades before wastes from atomic power reactors will equal in volume those created in plutonium production reactors. Present storage methods are adequate as to safety, but more economical methods must eventually be found. Research and development toward this end are now under way. In the long run, properly controlled radioactive wastes may be no more of a technical and economic problem than the wastes from expended fossil fuels.

During the operation of an atomic reactor there are collected some materials made radioactive incidental to the operation of the plant. The materials come from equipment leakage, water purification, plant house cleaning, and the like. Most of this material is of such a nature that it can be concentrated into small volumes, put in steel and concrete containers, and safely transported to atomic cemeteries.

Under the regulations of the Atomic Energy Commission there is a slight amount of this material that can be safely released to the environment at a plant site. An infinitesimal amount may be dissolved in water and released, for example, to a river. As released from the plant, this water will be within the safe limits set for drinking water by the National Committee on Radiation Protection and Measurements. Similarly, minute amounts of gaseous wastes may safely be released high into the air at plant sites under controlled conditions.

We humans have been subjected to natural radiation since the beginning of time. It comes from cosmic rays, from radioactive materials in the air and earth around us, in the food we eat. As Merril Eisenbud, Professor of Industrial Medicine at New York University, has pointed out, unless we are prepared to modify drastically our environment and the way we live, "future generations must contend with no less than the same minute but detectable levels of radiation to which life on this planet has always been exposed."

Actually we accept some increases in radiation levels because there are benefits we need or want. The advantages of medical X-rays in the diagnosis and treatment of disease are too familiar to bear repetition. The inconvenience of reading a watch or an alarm clock in the dark has been eliminated by luminous dials.

Atomic energy is perhaps the first great scientific advance about which the public was informed in great detail, both as to benefits and the need for careful handling and control, before peacetime applications were developed. The machinery for establishing radiation standards and setting up regulations is already organized. Through careful and continuing studies of these standards, the strict enforcement of regulations, and the inherent conservatism of utility engineers, we are assured that atomic power can supplement our existing sources of energy without contributing appreciably to the natural level of radiation.

The future needs of this country and the world for new sources of energy are compelling justification for our national policy and our present efforts to develop economic atomic power.

Reactors That Are and Will Be in Operation

But do not think the millenium is just around the corner. Technically and economically our present methods of making electricity are going to be hard to beat. We've had eighty years to perfect these techniques, but we are just beginning to learn about atomic power. The government is operating a number of experimental reactors. One large power reactor has operated for some time at Shippingport, Pennsylvania. Two smaller ones have been operated in California. During the next year utilities are scheduled to place in operation four large power reactors.

Like Edison's first light bulb, these atomic power plants are expensive to build and operate. But the achievement of economic atomic power is, I believe, essential and inevitable.

In our industry we speak of the generation of electricity as an art. While some may wonder at the use of the term, I find the work of the engineer akin to that of the artist. Before he begins work a sculptor "sees" the completed statue in the raw block of marble. This is his ideal. His first blows with the mallet and chisel reduce the marble to a rough semblance of his concept. Now the sculptor begins the patient chipping away at the rock until gradually he approaches what he had in mind. It is work that requires great patience and considerable technical knowledge. The skill and talent of the artist determine how closely the finished statue conforms to the original ideal.

Six years ago we in the utility business had only a concept of atomic power. At that time we were given the tools to shape this new source of energy. Our ideal was and is a heat source competitive with existing fuels. As we knock off the rough edges of the raw problem, we begin to see more clearly how much is involved in the achievement of our ideal.

The first generation of power reactors are only approximations of the ideal we seek. Once these first atomic power plants are built and operating, we can begin the time-consuming job of chipping away at details. It is a job requiring great patience and highly developed skills. We are fully confident that we can shape this new source of energy into a powerful instrument of peace. The utilities of New York State are in full agreement with Governor Rockefeller's Committee on Power Resources that "New York and other high cost fuel areas stand to benefit more in the long run from development of economic nuclear power than other areas of the country."

*An address by Mr. Fairman before the 66th Annual Convention of the New York State Federation of Women's Clubs, Corning, N. Y.

Wm. E. Pollock Adds to Staff

William E. Pollock & Co., Inc., 20 Pine St., New York City, have announced the addition to their sales staff of Arthur Fitzgerald in the New York office, Michael Ingraham in the Beverly Hills, Calif. office, 9643 Santa Monica Boulevard, and Paul Hyde in San Francisco, 315 Montgomery St.

Metropolitan Secs. Formed

ST. LOUIS, Mo. — Metropolitan Securities Corporation has been formed with offices at 418 Olive Street to engage in a securities business. Officers are Lloyd M. Martin, president; Alfonso Carty, vice president; M. A. Martin, secretary; and D. C. Carty, treasurer. Mr. Martin was formerly proprietor of Metropolitan Investors with which Mr. Carty was associated.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Governor Rockefeller who following his impressive victory in New York in 1958, was the most promising political figure in the country, is rapidly frittering away his opportunities.

He is giving the impression now that his sole purpose in political life is to wreck Nixon and in so doing to wreck the Republican Party. Many observers believe that he wants Nixon to lose the next election and the party will then turn to him in 1964. But he is becoming so unpopular with the Republican regulars that it is doubtful if he would have a chance in 1964 assuming that Nixon loses this year.

On "Meet the Press" Sunday night one of the panel asked Rockefeller just what specific issue it was he wanted Nixon to speak out on. Federal aid to education, Federal health insurance, just what issue it was that he wanted to know about?

Rockefeller never did answer. He said that Nixon, himself, has said that he intended to improve upon the present Administration's program after he has received the nomination.

The fact is that Nixon is more on record for what he stands for than any of the nominees. I am no confidante of Nixon's but I can say what his stand is on every question that is before the public today, except the farm problem. Aside from the fact that he doesn't intend to have Ezra Benson in his cabinet, the Vice-President's new farm plan is still being worked out.

On a medical program for the aged, Nixon is for the Administration's plan. This calls for the Federal Government and the state governments to provide enough money so that the aged can buy their own medical insurance. Frankly, I don't think it is as good as the Forand Bill which would tie the health plan in with social security, but nevertheless that is where Nixon stands. His position is well known. On Federal aid to education he is for the Administration bill which would grant loans and grants to the states for school construction. He is opposed to the Senate bill which would have the Federal Government appropriate funds for teachers' salaries. If that wouldn't bring about Federal control of education I'll eat my hat.

I have never seen Rockefeller look so futile as he did recently. On one issue against the Administration everybody knows how Nixon feels. That is the question of spending three billion dollars additionally for national defense. That is what Stuart Symington is basing his race for the Presidency on. Well, Nixon is against that, but there is no secret about it.

One of the claims made in the U-2 fiasco was that it had been instrumental in telling us just what is the strength of Russia. In other words, this photographic reconnaissance of Russia has told us just how much they were bluffing. Mr. Eisenhower is presumed to be acting on top intelligence about how we stand with Russia in the matter of defense and the military experts of the House Military Affairs Committee, after studying the subject for many months, have expressed confidence in the Eisenhower budget requests. The committee is predominantly Democratic.

I, for one, don't want to see any more money spent on the military. We have built up such a military economy, as it is, that the question arises as to whether it does not control us. With the Pentagon squabbling on how to divide up the spoils we have almost lost control of military spending and run the risk of having the military control our affairs. That can be as great a danger as the menace of Russia.

There is not the slightest doubt that the Pentagon, also the Atomic Energy Commission, has lobbied against an agreement on the control of nuclear weapons. That they have a powerful lobby behind them is unquestioned. A high percentage of our economy is dependent upon the continuation of military spending. Lobbyists working for plants which are engaged in military manufacture flood the town. They can give you a thousand reasons why more and more spending should be provided. In advocating more spending Governor Rockefeller and Stuart Symington, albeit unwittingly, are two of the best of the lobbyists.

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Manpower and Occupational Outlook in the 1960s

By Ewan Clague,* *Commissioner of Labor Statistics, United States Department of Labor*

Government's labor expert's depiction of number of teenagers who will reach maturity in the 1960s pay singular stress to the need of encouraging them to obtain all the education and training possible—before it's too late. Moreover, prior to charting the industry areas and occupations bound to enjoy above average rates of growth, he makes an urgent request for greatly expanded training programs, counseling and testing and in placement services. Further, Mr. Clague underscores points made in averring our basic problem is the successful adaptation of our rapidly rising labor force to our rapidly changing economy. This not only will assist a higher national economic growth, he concludes, but also will simultaneously help provide the highest income and preferable job opportunities to those with most education and training.

Ewan Clague

The world today is undergoing in a short period of time great revolutionary social and economic changes. New nations are being born every year. Peoples who have lived in the Dark Ages of poverty and stagnation are surging forth into the 20th century. Population growth and industrial expansion are the key characteristics of this development. Rising standards of living are the hope and aim of people throughout the world.

To the United States these changes represent a challenge and an opportunity. For half a century we have been a leading nation in the world, not only in power and prestige, but also in the living standards of our people. This is a challenge in that other nations are now joining the race for economic well-being. It is an opportunity in that we still have the greatest material resources and among the best human resources in the world. We are among the fastest growing nations in the world, not because our birth rate is so high, but because our death rate is so low. Furthermore, unless conditions change, we are on the threshold of another wave of population growth which will eventually make us one of the largest nations on the globe. But it is not the longer future that I wish to discuss here now, it is the next decade—the 1960s.

Birth rates are expected to remain high; it is estimated that more than 40 million babies will be born in the United States between 1960 and 1970. Furthermore, with new advances in medicine, death rates should continue to decline. Thus, the total population is expected to rise from 180 to 208 million, or by 15%, over the decade.

Surge in Teenagers Reaching Maturity

One of the outstanding features of the population growth of the 1960s will be the number of young teenagers reaching maturity. The number of young people reaching 18 years of age will increase especially fast—from 2.6 million in 1960 to 3.8 million by 1965, up nearly 50% in only five years. This large growth in the number of young people reflects the sharp rise in birth rates during the early years of World War II and the immediate postwar period. The one million increase in the number of 18 year olds anticipated between 1964 and 1965 is, of course, the direct result of the unprecedented rise in birth rates in 1947, immediately after our armies were demobilized. These rising numbers of young people will have marked impact upon the nation's schools. We have already experienced in the 1950s their pressure upon the grade schools. Now the wave of youngsters has reached high school age, and in the middle 1960s, they will reach the colleges.

Enrollments in grades 9-12 (high school) are expected to increase by nearly 50% during the 1960s—from 9.2 to 13.7 million—on top of a 40% increase during the 1950s. College or university enrollments will go from 3.8 to 6.4 million between 1960 and 1970, up 70%, after a rise of 40% during the decade just ended.

These figures are all estimates by the U. S. Office of Education and allow for a moderate continued rise in the proportions of young people attending high school and college. They also assume that the necessary teachers and physical facilities will be available. This is a large proviso. Unless strenuous efforts are made immediately to train the needed teachers and to plan and finance the required expansion in facilities and operations, our country may not be able to provide higher education for all the qualified young people seeking it — with great consequent loss to the national strength and welfare as well as to individuals concerned.

Change the Labor Force Structure

These new young workers not only will affect the schools; they will drastically modify the structure of the labor force. The decade of the 1950s has been in a sense the Golden Age of Youth. So far as the labor force is concerned, young workers have been the scarcest age group, demands for their services have been high; they have been able to command good wages and salaries.

In the 1960s this relationship will be modified, though met wholly reversed. Altogether, 26 million young people will enter the labor force during the present decade, almost 40% more than during the 1950s. This will be a far greater number than the economy has ever had to absorb in a single decade—far more than we have ever had to provide with training, vocational guidance, placement services, safety education, and all the other aids needed to assist young people in the transition from school to work.

Will there be room for this tremendous number of young workers in the usual types of starting positions? This is a question on which the new Occupational Outlook Handbook — prepared by the Department and the country's chief reference book of occupational information for use in guidance—throws considerable light. The answer the Handbook indicates is that most but by no means all of the on-coming force of new workers will be readily absorbed in entry jobs. Thus, there will probably be keen competition among young people for jobs in many occupations and geographic areas and need to prepare them for moving as rapidly as possible into positions normally staffed by older persons. This calls for great expansion in training programs, counseling and testing, and in placement services to youth.

The Growing Industries and Jobs

The demand side of the employment situation is represented by the growth of industries and occupations. The Bureau has made some broad and tentative projections of industrial growth. Summarized briefly, these projections indicate that construction is one of two industry groups where employment is expected to rise much faster than average—partly because of the expected large growth in the number of households, partly because of anticipated increases in government expenditures for schools, highways and defense purposes and in the volume of business activity and the levels of personal and corporate income.

In finance, insurance and real estate, the employment is expected to rise even faster than in construction. Factors responsible for growing employment in this area include rising income levels, the increasing complexity of the country's financial activities, the growth of our industries, and the movement of population from farms to urban areas.

Above-average employment increases are expected also in retail stores and other branches of trade; in government services — chiefly in State and local government services such as public education, public health, sanitation and welfare services; and in other professional, business, recreational, and personal services.

In the great field of manufacturing which employs far more people than any other major industry, the overall rate of increase in employment is expected to be about the same as in total employment. However, some branches of manufacturing will grow much faster than others.

Agriculture is the only major industry where an actual decline in number of workers is anticipated. We expect that production of foods, fibres, and other farm products will continue to rise but that the number of farm workers will go on declining. Intensifying the job changes will be the occupational and industrial shifts which will accompany that growth. We expect a substantial drop in the number of farmers and farm workers during the 1960s. Unskilled workers constitute another group which is expected to remain at about present levels, which means a percentage decline in relation to the total labor force.

The occupational group which will have the most rapid growth in employment is, however, the professional and technical workers. The demand for engineers, scientists, and technicians will continue to mount. Additional large numbers of teachers, nurses, accountants, and many other types of professional workers will also be needed. For professional, technical and kindred workers as a group, the rate of employment increase is estimated at around 40% between 1960 and 1970, half again as large a figure as that for clerical and sales workers, the second most rapidly growing group. Other rapidly growing groups are the skilled workers, particularly building trade crafts, repairmen and machinery workers, and sales workers. The increasing need for more data on all operations in industry, business, and government offices will lead to an increasing demand for clerical workers — despite the introduction of the new electronic computers and other types of office automation, which are tending to restrict employment in the more routine types of clerical work.

Occupations That Will Expand

When the prospective occupational trends are related to the information on years of schooling, a most significant conclusion emerges. The occupations which will expand most rapidly are those requiring the most education and training.

At the top of the scale in both respects are professional and technical workers—by far the most rapidly growing occupational group, as we have seen, and also the one with much the highest level of education. Personnel employed in this group of occupations in 1959 had an average of 16.2 years of schooling. This means that, on the average, they had more than a baccalaureate degree. The clerical and sales group, which ranks second in level of education as well as rate of employment growth, had an average of 12.5 years of schooling in 1959. Unskilled workers and farmers and farm workers were at the bottom of the scale in level of education, with an average of less than nine years of schooling.

Another way of looking at the relationship of occupation and education is to show the proportion of workers in each occupational group who have attained certain educational levels. For example, in the professional and technical occupations 75% of the entire group have had some college education, and only 6% less than high school education. The proprietors and managers group had 25% with some college education while clerical and sales workers had 22%. At the other extreme among unskilled workers there were only 3%, semi-skilled workers 4%, and farmers and farm workers 5%. Conversely, in these last three groups from two-thirds to four-fifths of the workers had less than high school graduation. The new young workers coming into the labor force in the 1960s will be better equipped educationally than their parents. About 70% of these young workers will be high school graduates and about one-fourth of them will have some college education. Nevertheless, there will still be millions of young workers without a high school education. Current trends suggest that about 7.5 million of the young people entering the labor force during the 1960s will not have completed high school, and that 2.5 million will not have completed even the eighth grade. The school dropouts will especially need counseling, guidance, and placement services. Currently, it is difficult for them to find jobs and their situation is likely to get worse as the number of high school graduates grows and job opportunities for the partly educated shrink.

The More Schooling, the Greater the Pay

Furthermore, there is a close relationship between a worker's occupation and his earnings. Workers with the most schooling are likely to have the highest pay. On the reverse side, unemployment rates are higher among those with less education. This is due in considerable measure to the kind of jobs (unskilled, for example) held by those with lower education.

This finding is one more indication of the need to encourage boys and girls to get all the education and training possible. Particularly needed are guidance services in the early grades, so that the children who are potential school dropouts can be identified and given special help and gifted boys and girls can also be given special attention. The Department of Labor has recently published a pamphlet on school leavers, "From School to Work."

In conclusion, the decade of the 60's will confront young people and their elders with many problems. On the other hand, these can readily be converted into opportunities. I commented earlier about the great economic expansion which the world is experiencing. We are engaged in an economic race with other nations. We are also active in our long continued struggle to increase our standards of living and to eliminate poverty.

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power resources for a much higher standard of living during the 1960s. We are now producing at a rate of about $500 billion a year. Even assuming a modest and conservative increase in productivity during the coming decade, we could produce an annual output in 1970 of over $730 billion, or an average of $3,500 per capita. Perhaps we can do even better than this. Our basic problem is to see if we can successfully adapt our rapidly rising labor force to our rapidly changing economy.

*An address by Mr. Clague before the Conference on Occupational Outlook, New York City, May 25, 1960.

Common Stocks & Uncommon Profits

"Common Stocks and Uncommon Profits" by Philip A. Fisher is now available in a revised edition. This volume describing Mr. Fisher's methods of stock selection, has a completely new chapter telling how he goes about selecting a growth stock. Also new are the various pages in which he discusses such companies as American Cyanamid, Ampex, Beryllium Corp., Food Machinery, P. R. Mallory, Motorola, Texas Instruments, etc., reviewing the performance and prospects of these firms that he commented upon in the first edition.

Particularly interesting is the Table that immediately follows the "Preface to this Edition" —covering the 26 months' period between the first and the revised editions of this book. It compares the rise in the Dow Jones Averages for this period with the rise of each of the examples Mr. Fisher used to illustrate the various investment principles he advocates. During a comparable period, the average of *all* these examples increased in market value nearly three times more than the Dow Jones Averages.

These results are even more striking in light of (1) the conservative, institutional nature of many of the stocks Mr. Fisher cites, and (2) the recent authoritative statistical study showing that in 1958 57 mutual funds averaged only 10% better than the Dow-Jones Averages, and in 1959 they rose about one-third less than the Dow Jones.

The volume is published by Harper & Brothers, New York, and is available for $3.95 per copy.

T. P. O'Dowd Opens

STATEN ISLAND, N. Y.—Thomas P. O'Dowd is conducting a securities business from offices at 27 Hyatt Street.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Widening P-E Ratio Spread Between Growth and Non-Growth Electric Utilities

During the past year two groups of electric utility stocks have followed divergent market trends. The rapid growth issues have become increasingly popular—possibly as a reflection of general market interest in electronics and other "romance" stocks whose earnings are supposed to double every year or so. On the other hand, the "slow growth" utilities, together with those affected by unfavorable regulatory climates, have shown little market "oomph" —although many of them revived in last week's buoyant market, regaining ground lost earlier this year.

Until the recent market revival, the average "slow growth" electric utility was selling at about 13-16 times earnings, with the higher ratios unusually reflecting a generous dividend payout. On the other hand the P-E ratios for the rapid growth stocks — the popular Florida, Texas and Arizona issues with a scattering of others such as Atlantic City Electric and Delaware Power & Light—have been in a range approximating 23 to 35, based on latest reported 12 months earnings. In some cases (such as Tampa Electric, which achieved a 35 ratio) rate increases or other factors assure a higher level of earnings for calendar 1961 than for the latest reported 12 months so that the P-E ratio would be somewhat lower if related to calendar 1961 earnings.

This divergence between the two groups of electric utility stocks reflects in part the effect of higher money rates. Utility stocks which are held primarily for income have to compete with new issues of high-yielding preferred stocks and bonds. (Recently, for example, a new pipeline 1st mortgage bond issue with a 5¾% coupon and a common stock warrant was offered at 100.59.) On the other hand, many holders of the growth issues are interested mainly in capital gains.

Electric utility stocks enjoy an advantage over industrials in that they are less cyclical—most of them have built-in protective devices—as indicated by the uninterrupted gains in share earnings for the average utility during minor recessions in the postwar period. Of course there are exceptions, with the sharp decline in Detroit Edison's earnings in 1958 reflecting the set-back of the automotive industry, but fortunately not many utilities are affected to this extent by local business fluctuations. Certainly for the industry as a whole temporary changes in industrial sales are more than offset profitwise by continuing gains in commercial and residential business as the result of new family formations, sale of new appliances, growth of air-conditioning, etc.

In the calendar year 1959 the utilities continued to make a good showing. The adverse effects of the long steel strike were less than the impact of the recession in 1958, so that kwh sales of the privately-owned electric utilities showed nearly a 10% gain, with revenues up 8.6%. Operating expenses were held under good control and while interest charges reflected higher money rates, net income gained nearly 10%. The balance for common stock was up 10.7%, and after allowing for the increase in common shares as the result of equity financing and stock dividends, per share earnings gained about 7%.

The electric utilities did not enjoy as favorable hydro conditions in 1959 as in 1958, but nevertheless reported an increase in fuel costs of only 8.1% compared with the gain in kwh sales of 9.9%. Operating efficiency increased, with the average "Btu per kwh" declining from 11,085 to 10,920, an efficiency gain of 1.5% contrasted with only 1% in the previous year. Increased pooling and interchange arrangements were also helpful.

Improved labor productivity was a factor in 1959. Despite the usual annual increases in wage rates, total labor costs increased only a little over half as much as kwh output. Employee figures are not available for the entire industry, but reports for some individual companies indicate that the number of employees is still declining slowly despite higher output. New modern generating plants require much less supervision and maintenance than the older ones, and the rapid increase in the use of computers for many branches of the business also aids productivity. Atlantic City Electric for example, recently completed a modern data processing center designed for some 20 years of future growth. The center uses the RCA 501 with its various accessories. A Farrington-IMR optical scanner scans cash stubs at the rate of 100 per minute, punching the account number and cash amount into RCA tapes.

Taxes increase inexorably, but more electric utilities are now using "flow through" for tax savings from accelerated depreciation, which tends to reduce total taxes reported. The new SEC rules and the tendency of state commissions to favor flow through means that more companies may decide to give up normalization in the coming year, with resulting increases in share earnings.

What about the outlook for 1960? The first quarter was an exceptionally good one (with the help of some colder weather) and average share earnings showed a gain of nearly 2% for the 12 months ended March as compared with calendar 1959. Moody estimates that 12 growth stocks will show an average gain of 8.2% in share earnings for this year, while those with slower growth prospects may gain about 6.6%.

Industry kwh output in the first quarter showed excellent gains over last year—6.8% in January, 11.4% in February and 10.2% in March. In later months these increases have tapered off and the week ended June 4 showed a gain of only 1%—but this disappointing result was probably due to the Decoration Day holiday, which came in the following week last year. Thus, while steel operations have been in a rapid downtrend, and the weekly business industires have also been deteriorating, electric output has continued to show reasonably good gains.

The industry continues to plan for future growth — an average gain of about 5-7% in output over the next three or four decades is envisioned, compared with an overall industry growth rate of perhaps 3-4%. In other words output will continue to double nearly every decade, involving tremendous construction and financing programs. Moreover, the industry is stepping up its research and development program in atomic power, fusion, electrodynamics, the fuel cell, etc. In order to improve the load factor, increased attention is being given to electric heating with active promotional campaigns, special rates, etc. The industry is prepared to wage a publicity battle with the gas industry and is featuring its Medallion all-electric homes in its stepped-up advertising program. Thus, while some of the growth utilities may seem rather fully priced at this time, the outlook for the electric utility industry as a whole remains favorable, subject as always to the irregularities of local politics and regulation and the vagaries of the weather.

W. E. Burnet to Admit Lowerre

On July 1, Henry L. Lowerre will be admitted to partnership in W. E. Burnet & Co., 11 Wall St., New York City, members of the New York Stock Exchange. Mr. Lowerre will retire from partnership in John H. Lewis & Co. effective June 30.

Penn Harvey, a limited partner in W. E. Burnet & Co., will withdraw from the firm on June 30.

Forms Norelda Investments

OCEANSIDE, N. Y.—Joseph Colten is engaging in a securities business from offices at 2555 Joel Place, under the firm name of Norelda Investments Co.

Form Omega Securities

Omega Securities Corporation has been formed with offices at 40 Exchange Place, New York City, to engage in a securities business. Officers are Albert Herman, president; Arthur Herman, vice president; and Stuart Diamond, secretary-treasurer.

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Home Electric Heating— Big Market of the Sixties

Continued from page 3

ture of electric resistance heating is that the units can be shaped, positioned, and adorned in countless ways. Why not let the modern be modern in design!

Are today's bathroom blower units in keeping with the palaces of glass and enamel where the homeowner washes his hands? Or do they recall the glinting sunbowl with its protective cage of wire?

What about ceiling cable? Is this marvel of radiant heat — unseen and infinitely flexible—being neglected because its profit margin isn't great enough? Or what about pre-fabricated ceiling panels? Is the progress of this innovation lagging because installation techniques are slower and more painstaking?

Above all, are manufacturers really alert to the versatility of electric heat? In one form or another, it is adaptable to any condition, any situation, any preference. Would they be wiser to broaden their lines rather than to insist on baseboards where ceiling cable would be better, or resistance units where the heat pump belongs? Often the best application within a given house calls for more than one type of electric heating equipment. In the long run, the consumer is king, or, in this case, the housewife is queen. Do we have to insist on short draperies when the ladies want longer ones? Why not give the lady what she wants?

If high wattage units cause wall streaking, why not concentrate on lower wattages, or spread the air flow? Do heat pumps have to be sold with little or no attention to servicing? And must their critical testing be left to the unsuspecting customer?

Several of the heat pump types marketed in my own service area in 1959 failed to prove out to specification under test. Among the product difficulties uncovered was a case where the heat pump performance coincided with a company's internal engineering data—but differed radically from p u b l i s h e d sales performance charts! Most manufacturers were glad to get our test results and to respond with changes and modifications. If the manufacturers had to suffer in solitude, I wouldn't feel so badly. But we have to suffer along with them. One dissatisfied customer can set you back further than dozens of satisfied ones can help you!

New Challenges

Moving from production of heating equipment to its distribution, electric heat poses several new challenges. Realignments in the traditional distributor-dealer-contractor-builder relationships are inescapable. While I would like to be constructive, the pattern is not clear. However, I do know that today Americans bake packaged cakes, buy weddings in ensemble, vacation on packaged tours, and are socially secured from cradle to grave by a single tax deduction. The buyer likes to buy complete; under a home mortgage he can, and will, buy more. Some manufacturers recognize this problem and are trying to solve it. How the manufacturer brings together the heating contractor, the electrician, the supplier of insulation, the appliance distributor, and so on, is difficult to foresee. It means disturbing time-honored prerogatives and habits. It will require a high degree of local variation to solve the problems that arise.

A new product in today's consumer market needs the full treatment of modern promotion: market research and pinpointing, volume advertising, sales cooperation, and all the other techniques. Manufacturers have made a good start—but only a start.

A large part of the manufacturers' advertising today is directed to the trade. While you don't get any back talk when you talk to yourself, I suggest that a stronger appeal to the buyer would be more productive. When people pick their super market for the color of its trading stamps and their service station for the pattern of its goblets, a goodly part of the promotional dollar had better be directed to the consumer.

Some otherwise effective advertising on electric heat is now diluted by its inclusion in ads on appliances, lighting, and so on. Electric heat is important enough to spread on its own full page. It has a marvelous story to tell. But it must be told specifically, forcefully, and repeatedly. This cannot be accomplished with tag-on references at the bottom of ads featuring "Live Better Electrically" or "Total Electric Living."

Some recognition of this is beginning to appear. The Westinghouse television coverage of the summer political conventions and fall elections will feature commercials devoted exclusively to electric heat. The E.E.I. advertising program demonstrates its leadership role in this area in the June issue of "Better Homes and Gardens." A double page spread on electric heat is sponsored jointly by E.E.I. and the National Electrical Contractors Association. This is a beginning, but we need much more specific national advertising directed to the consumer.

Finally, I am bold enough to suggest that those selling electric heating equipment be able to make some concessions at the point of sale, especially during the pioneering period. The manufacturer's sales representative who can wheel and deal on an important subdivision, high-rise building, restaurant, or school, will have a head start on the market.

I cannot close my remarks on manufacturers w i t h o u t paying them tribute. This spring in Chicago, N.E.M.A. held its First National Electric House Heating Symposium and Exposition. Five or six hundred was expected. Nearly three thousand came! This response, and the quality of the program, demonstrate that manufacturers are becoming alert to their opportunity. I have full confidence that the manufacturing genius which made possible the marvels of today's electric era will rise to the needs of tomorrow.

Are Utilities Aware of the Great Opportunity?

Do the utilities fully appreciate the opportunity of electric heat? I can't for the life of me understand why we are not more excited about it.

The "Electrical World" Heating Survey estimates annual revenues from houses now heated electrically at $225 million. The volume is expected to increase six to seven times in ten years.

How are we meeting this opportunity? Perhaps self-analysis will prove more difficult than sizing up the other fellow.

To begin with, have our engineers and rate people evaluated the heating kilowatthours and the corresponding cash that will flow into our tills? Or do they tense up over the load it imposes on our generators, transmission lines, substations, and distribution networks? If we are honest, we must admit that they have been traditionally conservative, and sometimes short-sighted. I am reminded of the professor at one of our great schools of technology who wrote in 1897: "After a thorough investigation, I find the electric light a failure." As one of my colleagues says, the electric light and power industry has been "failing" its way to success ever since.

People tell me that the flat iron posed a real stickler to our distribution engineers—five-hundred watts in a single device that could come on our lines anytime mama wanted to sharpen the crease in papa's pants! And Tuesday morning, when the bright pennants of clotheslines become loose mounds of fresh, but wrinkled, clothes—at no little cost to mother's back and arms — Tuesday would be a day of burned-out services, transformers, and secondaries.

Is this picture overdrawn? Or have we too often shrunk before our opportunities? Did we balk at the idea of tarnishing our power factor and sacrificing the good name of our voltage with motors for washers, clearners, refrigerators, air conditioners?

In our companies we need more schooling on tolerance: tolerance of loads, big, little, and medium—loads that strain our ingenuity as well as heat our copper — loads that make us fret about peaks, capacity, and reserve.

We want our rate of people to be equally tolerant, equally understanding of these loads and opportunities. As much as we urge them, our manufacturing friends cannot provide all the answers. Many of us in the utility industry have an electric heat pricing problem—a problem made more difficult by rate traditions.

Fresh Viewpoint Needed

The all-electric home provides a test of our willingness to price our product in a way to continue the expanding use of electricity which has marked our history, and to meet our competitive needs. We should approach the problem with a fresh viewpoint.

It is important to keep in mind, too, that the all-electric home has a much higher general service use. A recent study by the TVA showed it to be nearly double that of an ordinary residence. This additional use is an important bonus to take into account when pricing electric heat.

Companies with summer peaks may find that little or no generating capacity costs need be assigned to the space heating demand. A first step in the pricing process may well be an incremental cost evaluation.

But I leave the debate on incremental costs, promotional pricing, and cost of service studies to the technicians. It is sufficient for us to expect that whatever the theory, whatever the technique, whatever the underlying philosophy, our rates of charge will promote and not retard electric heat. We now have a sales opportunity greater than all of today's appliances rolled into one. What we must decide is whether we can face up to the pricing problem on a basis that will yield a constantly widening horizon of opportunity for electric consumption.

Our sales people appreciate the opportunities which lie ahead. They know first hand the challenges and the competition. They know about the gas industry—up on its toes and slugging for the business with a $30 million combined local and national promotional budget. They know that air conditioning, automatic cooking, and refrigeration no longer come on a silver platter tied up in blue ribbons. They recognize, too, the pressure for the consumer dollar. They know that even with promotional pricing, electric heating is going to cost more.

Public Pays for Its Wants

But our sales people also know that the American public pays for what it wants. Examples are everywhere. Fred Borch told our spring E. E. I. sales conference: "Last year the swimming pool business, at $700 million in sales, was as big as the electric range and vacuum cleaner businesses combined: and, swimming pool manufacturers see their business soaring to $1 billion in 1960."

Look at the improvements in cars the people pay for so cheerfully — I refer to the automatic transmission, power features, and free wheeling on this model. The annual depreciation alone—I am still talking about the car—would pay for heating a couple of homes electrically.

I believe to promote successfully in this kind of competitive market, utilities really have to wake up and get up!

What, specifically, is their role in promoting electric heat? The format has been pretty well defined by the many companies that are already making headway. They have learned that you need to organize the market, educate the trade, advertise to gain acceptance, sell hard in whatever

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manner required, and make sure the customer is satisfied.

Just what is meant by organizing the market?

The electric heat market is composed of many elements, each with varying degrees of interest. These include not only the manufacturer, distributor, architect, heating contractor, electrician, and builder, but also the mortgage lender, appraiser, and FHA officer. All need to be organized into a unified effort if electric heating is to be successfully promoted. There is no set formula to get these various factors pulling together. Your organization can do more in its own backyard than any packaged, sure-fire scheme I might describe. The job, stated simply, is one of basic leadership.

Need of Education

And leadership requires knowledge — which brings us to the second important function of the utility—to educate the trade. But before we educate others we must first educate ourselves. "House and Home" magazine has made a substantial contribution to the electric heating business. As Arthur Goldman, their Director of Marketing, recently said: "When you start promoting total electric living, you are pitching for the whole house and you have to become a total house expert. . . ."

Telling your story is not, in my opinion, simple. You tell it to the entire market, then separately to each part of the market, then you start all over again.

For instance, in my own company we ran a six-week course on electric heating fundamentals for 700 electrical contractors. Later, we repeated it for 300 more.

Keep in mind, the lender buys the home before the owner does. So we held dinners for several hundred bankers and mortgage loan officials, and we expect to hold more. In addition, we have a program of personal and mail follow-up with these people. We didn't neglect the Society of Residential Appraisers, either — remember, they are the eyes of the lender.

We talked to the Society of Architects and, of course we lose no opportunity to contact them individually.

We talked, among others, to the motel association, the apartment builders association, a half dozen real estate boards, and even a lumber dealers' group.

The third part of the utility's marketing program is to advertise electric heat to gain customer acceptance. Here we have a decided advantage. Customers in our service area have confidence in what we say. If we are solidly behind a product, they are sure it will be a good one. In other words, as they say in the advertising trade, there is an image of truth and reliability.

With this kind of friendly atmosphere, what we need is to spend sufficient dollars to get our story across to the consumer. It might be well to have the programs tie in with manufacturing and trade advertising, or form a basis on which trade advertising can build. However it's done, the utility has a prime responsibility for creating consumer acceptance and action at the local level.

"Sell and Sell Hard"

A fourth utility responsibility in developing the electric heat market is to **sell and sell hard.** This means an aggressive force of field representatives, thoroughly trained in all phases of building. They must be able to work with customers, architects, builders, and contractors. They are not selling an impulse item but a product which has to be sold on the basis of its advantages. Furthermore, they need to be equipped with effective promotional tools to close the sale.

Finally, at least during the formative stage, I believe that it is up to the utility to see to it that the electric heat customer is satisfied. We don't make the equipment; we don't install it. But as surely as we promote electric heat, our reputation — and to a considerable extent our public relations—are on the line with its performance. Obviously, we can't underwrite the entire business. What we do to keep the customer satisfied will vary greatly with the local conditions. What is important is that we put our finger on the problems and do something about them.

Most of what I have said has been directed to the residential side of the electric heat market. Applications in commercial, industrial, and institutional buildings are equally promising and diversified. The development of this market is similar to the residential, with perhaps a little more staff needed to advise architects and consulting engineers on technical problems.

When one considers the dimensions of the electric heat market for both manufacturer and utility, as I have done, it is easy to understand why many students of marketing call it one of the greatest opportunities ever offered to our industry.

I am sure that all of us sense this opportunity; my purpose has been merely to stimulate awareness into action.

I have raised some questions and made some comments to manufacturers regarding design, performance, marketing, and promotion. Essentially, I suggest that they be modern in the way they handle this modern product.

I have raised some questions and made some comments to utilities about pricing and promotion, about organizing the market, educating the trade, advertising the electric heat story, selling at whatever level the market needs selling, and above all, keeping the customer happy. Essentially, these suggestions are simply applications of modern marketing methods to a modern product.

If manufacturers and utilities appraise this market for even a fraction of its potential, if they approach it with a positive attitude, if they meet it with modern methods — electric heat is bound to be the "Big Market of the Sixties."

*An address by Mr. Ayers before the 28th Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 7, 1960.

Morris Plotnick Opens

Morris Plotnick is conducting a securities business from offices at 2352 Walnut Avenue, New York City.

H. J. Meininger Opens

Henry J. Meininger is conducting a securities business from offices at 26 Broadway, New York City. He was formerly with Arnold Malkan & Co., Inc.

Richardson Chmn. Of Tax Committee

The New York Chamber of Commerce has announced the election of Mark E. Richardson, partner of Lybrand, Ross Bros. and Montgomery, as Chairman of its Committee on Taxation.

Mr. Richardson succeeds Benjamin J. Buttenwieser, limited partner of Kuhn, Loeb & Co.

Also elected to the Committee were A. A. Buzzi, Vice-President-Finance of the Shell Oil Co.; Lawrence C. Marshall, Executive Vice-President of the Chase Manhattan Bank; Cushman McGee, partner of R. W. Pressprich & Co.; Paul E. Nye, partner of Price, Waterhouse & Co.; and Harold Riegelman, partner of Nordlinger, Riegelman, Benetar and Charney.

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Analysis of Future Trends In the Investment Market

By Curtis V. ter Kuile*

Present disturbances constitute an insufficient reason to dissuade investing in carefully chosen issues according to Mr. ter Kuile. In touching on favorable and disquieting factors affecting the investment climate, the author selects particular issues in each major investment category to illustrate his thesis that investment opportunities are present today.

During the past months there have been an increasing number of inquiries as to possible future trends in business and the securities markets.

Curtis V. ter Kuile

There are certain disturbing elements. One of these is in the oil business. Much has been written and said about overproduction and the possibility that new fuels may replace petroleum. In the oil industry, however, there are many who feel that although there may temporarily be an over supply of certain products, yet these problems could be better handled if the leading oil corporations were permitted to manage their business themselves. Last year the Department of the Interior was given authority to police the oil industry, particularly as to imports, and its rulings in that regard are believed to have confused the oil situation, which had been kept in balance as to production, refinery runs, and imports, by experienced executives. Moreover, it is felt that a sufficiently firm hand has not been used by our Government on Cuba and Venezuela, where taxation and other actions have tended to interfere with our petroleum business.

Contrasts Oil Earnings and Price Per Share

However, the oil situation is not as dark as it may seem. Without attempting to influence investors, it may be pointed out that Standard Oil (New Jersey) earned a higher net income in 1959 than in 1958 and its March quarter net income was slightly higher than that a year ago, yet the shares are selling at the lowest price since 1955. Texaco earned 44.8% more per share in 1959 than in 1954, 12.2% more in 1959 than in 1958, and 6.2% more than in the March quarter of 1960 than in the same quarter of 1959. Yet TX is selling near the low since 1958.

Another disturbing situation to investors has to do with the relations between our Government and the Communists, particularly in Russia. There has been much discussion about atomic bombs and missiles, and many persons have become apprehensive over the possibility that some foreign country might suddenly attack the United States and use these weapons. In fact, "Fall-out Shelters" are advertised at $1,485 ready to be installed in the ground.

Not wishing to attempt to depreciate the chance of enemy attack, it may be mentioned that the author wrote an article in February, 1951, entitled "Atomic Bombs and Investments" which dealt with this possibility. In nine years there has been little change in the repetition of threats against us. Americans should remember that we are a strong nation, with enormous productive resources, plenty of courage and national pride. We also have all of the latest types of weapons. We are practically surrounded by a wide ocean. Whereas it would be very easy for an enemy to spring a surprise attack, an attempt to follow it up with an invasion of any kind would be quite a different matter. Knowing our industrial strength, our resources and the past performances of our armed forces, one must know that the consequences to such an enemy would be severe. That is the reason why, despite threats, we are still at peace. There is no sound reason for believing that the United States will be at war with any foreign country in the forseeable future. Therefore, let us arrange our investment program on that premise.

Premises Investment Program On Supposition of No War

To begin with, in the case of most institutions, certainly U. S. Government securities remain the premier investment. They are evidently low in price today. The U. S. Treasury 4¼s due May, 1985, *are selling at 101,* which is a 4.15% yield. Treasury bonds are exempt from taxation by the states and that can be quite an item. Some of them, such as the Victory 2½s due December 15, 1972 *selling at 87⅛,* may be turned in at par in payment of estate taxation.

In the corporate market there seem to be some excellent bargains. One may purchase a Aaa Mountain States Tel. & Tel. 5% bond due in 2000 at 104 to yield over 4.78%, whereas at the top of the bond market of 1946 this same type of bond would have been oversubscribed on a 2.80% basis. Another odd thing is that so many high grade bonds yield almost as much for a one year maturity as for twelve years. For example, U. S. Treasury 2½s due November, 1961, *yield 3.41%* and the same bond due September, 1972, yields 3.87%, only 0.46% more. Northern Pacific Equipments *yield 4.50%* whether due in 1963 or in 1975.

People are always buying bonds. Each week over $26,000,000 of corporate bonds are traded on the New York Stock Exchange alone, to say nothing of possibly three times that many traded in the Over-the-Counter market. Some institutions must invest premium and other income steadily. They also maintain percentage ratios of various types of securities. And they sometimes find themselves required to invest money, for example, in the stock market at a time when it may be selling at a high level. However, most investments can be made at such times as the investment committee, or the individual, feels that the time is right for that particular purchase.

In this connection, certain things would appear to be self-evident. One of these is that the stock market is pretty high. The New York "Times" average of 50 stocks is *at 381.02* and the all-time high was 428.00 only last August. Such a situation would seem to suggest caution in the selection of stocks. Yet, because of the steady increase in the population, improvements in machinery, farming practices, medicine, working conditions, old-age assistance, pensions and longer vacations, the economy could well continue it's upward trend. Therefore, one may invest in certain carefully selected groups of stocks with confidence. There are some excellent food, utility and oil stocks available at yields from 4.25% to 5.00%.

However, one should not overlook the fact that we are now in the year of a Presidential campaign. People may therefore expect all sorts of upsetting news, charges and countercharges, criticisms of our defense policy, and the conduct of our affairs both at home and abroad. After the election most of the disturbance will disappear. There will probably be little change in our pattern of life, regardless of which party wins. We can hope for lower taxation.

Favorable Factors and Indefinable Uncertainties

There do not seem to be any unusually dark clouds on the horizon. Carloadings have been declining, but the reported figure might be very much higher if truck and air freight loadings were included in the total, as they should be. The output of electricity is steady; housing starts are fluctuating normally. Certain fundamental indications of prosperity are evident. Apparently there are too many time payment contracts outstanding, but if the cost of borrowing should go lower, and if by chance individual income taxes were reduced, then the need for personal loans and time payments would also diminish. No country can be considered to be in real economic danger with plenty of grain, oil, coal, wood, iron ore, cotton, wool, and other necessary commodities.

Despite these favorable indicators, however, businessmen are aware of an "indefinable uncertainty" in the economy. Perhaps it is related to the large number of new automobiles standing in dealers lots, or the enormous amounts of food, cotton and other products in government storage. But it is more likely to be based on apprehension over the great increase in public and private debt in our country. The figures on our national debt do not present the full story, because they do not include subsidies on housing, shipping, guaranteed mortgages, or commitments to supply goods and services to foreign nations. From all reports it would seem that if the present trend on subsidies and guarantees is not brought to a halt, it can only mean increased Federal taxation. As it is now, it is noticeable how many large corporations are turning in reports of record breaking sales, but the net income, after the high wages, higher cost of materials and present income taxes are deducted, comes out at less than in the previous fiscal period.

It is difficult to find bonds that have been outstanding on the market which have been there all through the hectic times from 1929 on up to the present. Yet there are a few examples. Atchison & Topeka & Santa Fe general mortgage 4s due 1995 were selling at 92 on March 22, 1929. Since then they have sold up to 141 in 1946, but they are about 92 now. Chesapeake & Ohio general mortgage 4½s due in 1992 were selling at 95 in March 1929. Since then they have been up to 151⅜, but today they are around 96½. The New York Gas & Electric Light, Heat and Power purchase money 4s came through the whole depression with a range of 119¼-87⅛ until they were paid at maturity in 1949.

The purpose of showing these data is to point out the obvious fact that investors who purchase sound bonds with courage in times of doubt and high money rates, such as in 1929 and today, had by far the better of it in the long run.

There is one type of security that could well be included in the portfolio of almost any institution or individual, not only in the hope of capital gain, but also as a hedge against a severe decline in the stock market. We are referring to convertible bonds. These vehicles for investment usually tend to rise steadily along with the market for the stock into which they are convertible, but they rarely decline below their intrinsic worth as a straight non-convertible bond. Carefully selected convertible bonds are now selling in a buying range. It is suggested that investors study the merits of the following convertible bonds:

Moody Rating		Maturity	Recent Market	Current Yield
Aa	Standard Oil (Indiana) 3½% convertible S.F. Deb.	10/ 1/82	98½	3.54%
Aa	*Baltimore Gas & Electric 4¼% convertible Debenture	7/ 1/74	113	3.76%
A	Phillips Petroleum 4¼% conv. S.F. Subord. Deb.	2/15/87	107	3.97%
A	*Consolidated Edison 4% convertible Debenture	8/15/73	106	3.77%
A	*Niagara Mohawk Power 4⅝% convertible Debenture	2/ 1/72	111	4.17%
A	Atlantic Refining 4½% conv. S.F. Subord. Deb.	8/15/87	101¾	4.42%

*Legal for savings banks in the State of New York.

The situation with municipal bonds has been similar to that of the corporate market. They have experienced market fluctuations implemented by increases and decreases in money rates and of income taxes. In August, 1930, one could purchase State of New York 4% bonds due in 17 years to yield 3.70%. In 1951 State of New York 1.60s due 1992 sold on a 1.50% basis. Today State of New York 3¾s due in 1989 yield 3.45%. City of New York 3s due 1980, listed on the New York Stock Exchange, have had a range of 125¼-81 18/32 since they were issued, the low price being reported in this year 1960. At present they are selling at 87½. In April, 1946, the Dow-Jones average of twenty 20-year muncipal bonds registered an all time low yield of 1.72, yet on Jan. 11, 1960 that yield hit an all time high of 3.84% and it is 3.58% now. What other proof is required to show that municipal bonds are in a buying range today.

*The writer is a graduate mechanical engineer, Cornell University. He has been engaged in engineering and the investment business for many years and is a member of the Cornell Engineering Society and the New York Society of Security Analysts.

With B. C. Christopher

(Special to The Financial Chronicle)

KANSAS CITY, Mo.—Ludwell G. Gaines III has become affiliated with B. C. Christopher & Co., Board of Trade Building, members of the New York Stock Exchange. Mr. Gaines was previously with H. O. Peet & Co. and prior thereto with Merrill Lynch, Pierce, Fenner & Beane in Akron.

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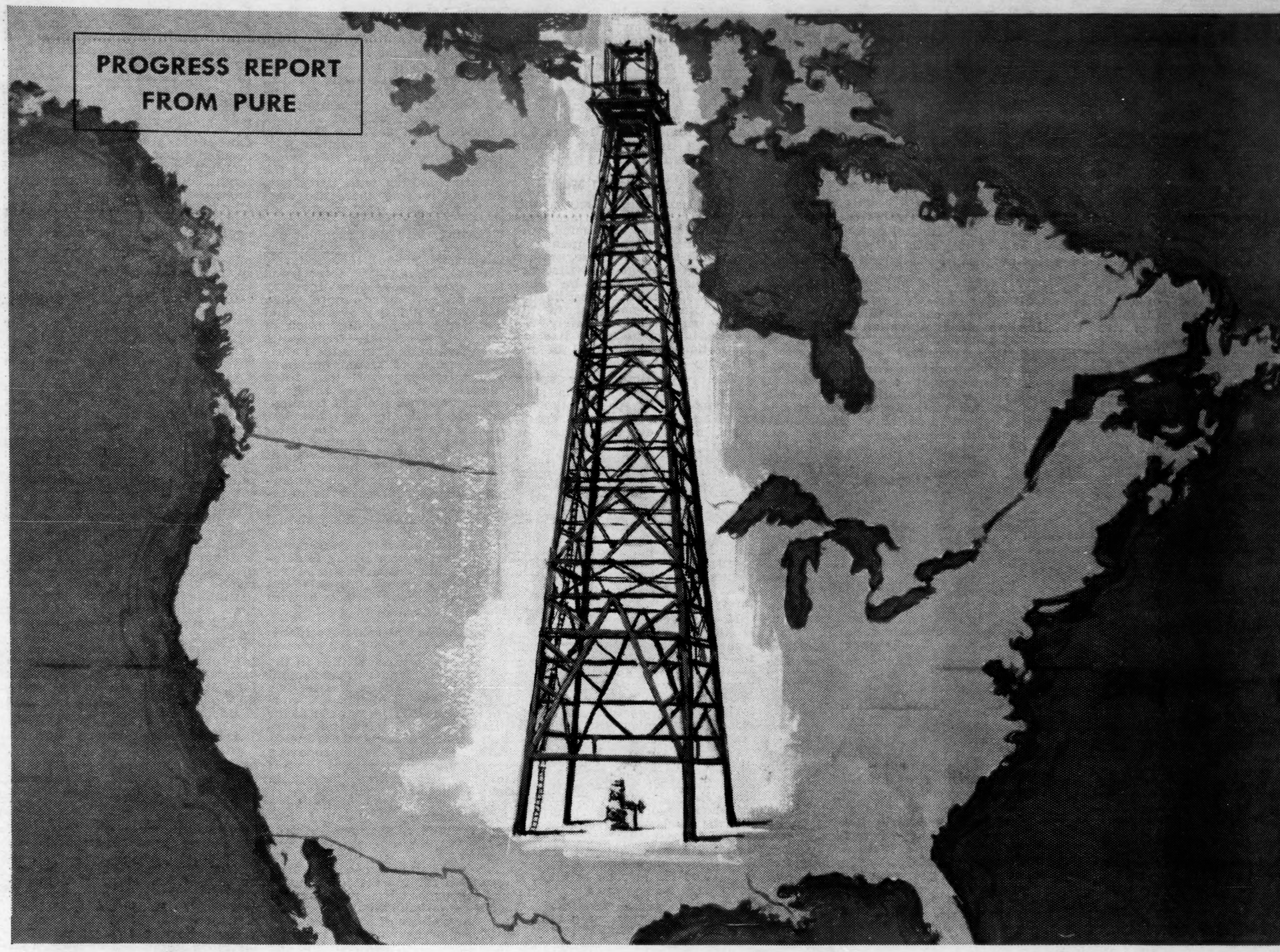

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The Pure Oil Company gains important new oil reserves, pipelines, and prospective fields in its purchase of Woodley Petroleum Company's assets.

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YOU CAN BE SURE WITH PURE

Management's Primary Role In Assuring Plant Safety

By J. Theodore Wolfe*, *President, Baltimore Gas and Electric Co.*

President of a large utility predicts industrial accidents will continue to occur until management decides they shall be eliminated; makes known its decision right down the line; refuses to delegate responsibility to a staff department; accepts and fully works with its safety specialists; and ends any pretense or lip service. Mr. Wolfe bluntly points out management errs when it budgets or expects a tolerable level of accident frequency. He shows this tends to breed accidents and fails to take in the totality of costs, such as lost time, as well as human values. Getting down to specifics, the industrialist suggests an 11 point program for management to adopt.

Safety is a subject close to my heart, but not closer, I am glad to observe, than it is to the hearts of those who direct the affairs of the Edison Electric Institute. The very fact that it has been included as a topic for discussion at this general session is an indication of the high degree of importance attached to it by the leaders of our industry. Usually, the subject of safety is relegated to the committee room or, at best, to the sectional conference. I am impressed by the fact that this is the second time in four years it has been discussed at EEI's Annual Convention.

J. Theodore Wolfe

Thirty years ago—in 1930—312 employees of the Baltimore Gas and Electric Company suffered disabling injuries resulting from accidents on the job. We defined a disabling injury then as we do now: any accident which results in death, or permanent disability, of whatever magnitude, or which involves the loss of eight of more consecutive hours from work. In 1959, with many more employees on the payroll, had the accident frequency rate been the same as in 1930, 460 or our employees would have suffered such injuries. Instead, the number of disabling injuries was eight.

What caused this rather phenomenal reduction in accident frequency over a period of just three decades?

The short answer is simply this: Management recognized that it had a responsibility for the safety of our company's employees and decided to discharge that responsibility.

Now, I do not wish to minimize the importance of the work done by our Safety Division in: developing safety manuals; organizing cooperative and competitive safety programs; suggesting improved methods and better tools; helping to determine the cause and cure for each accident immediately after its occurrence; publicizing the importance and the requisites of safety; and in otherwise assisting, in countless ways, in the achievement of management objectives.

Indeed, one of the first acts of Management following its acceptance of the responsibility for safety was to establish an effective Safety Division; and I would be remiss if I did not pay tribute to the outstanding work done by my associates in this division. No company of our size can achieve its safety objectives without the persistent and intelligent aid of safety specialists.

Nor do I want to overlook the significant contribution made by the Accident Prevention Committee of the Institute, in conducting safety conferences, in exchanging information on methods and results, in preparing training programs and materials, in recognizing meritorious achievement, and in numerous other ways. The concern for safety expressed through the work of this committee has been a major factor in reducing accident frequency in the electric industry from 14.02 in 1949 to 6.06 disabling injuries per million man-hours in 1959.

It's a Managerial Must

What I am trying to say, at this point, is that industrial accidents will never be eliminated, nor further reduced in frequency to any substantial degree, unless and until management first decides that they shall be eliminated, and then makes its decision known—not just to the safety supervisor or safety engineer, but to the entire line organization, including all of the company's employees.

The responsibility for safety cannot be delegated to a staff department. It is part of the job of every officer, every department head, every foreman or group head, every individual worker, to prevent or avoid accidents. Unless that fact is clearly impressed upon and kept fresh in the mind of everyone, we shall never overcome the devastating waste of human and economic resources which is the end product of accidents. And it is useless to talk about improved techniques, better tools, or any of the other paraphernalia of a modern safety program.

Now, what I have said thus far is doubtless rather trite. One would have to search pretty hard to find an intelligent management which did not admit to its responsibility for safety. In this enlightened era, being *for* safety is like being *against* sin. Both stances are among the required marks of respectability.

Yet, when I look at a chart which tells me that, for the year 1959, there were still 6.47 disabling injuries for every million man-hours worked in American industry, and when I see that the accident frequency rate in my own industry was not much better than the average for all industry, being 6.06 for electric utilities, I cannot help but wonder if there aren't too many managements which are giving only lip service to this particular responsibility.

You all know of the proverbial preacher who regularly lectures the faithful on the evils of non-attendance, never reaching the ones who are guilty of skipping church. Lest any one conclude that I am making a similar mistake, let me point out that, while there are many companies in the electric industry with truly outstanding records, there are even more with very poor records, indeed. Among the 180 companies reporting their 1959 accident experience to EEI, 52 reported a frequency above the industry average, 33 of these were more than 50% above the industry average, 17 were more than double the industry average, and 5 had the dubious distinction of reporting accident frequencies from five to nine times the industry average. I would not have you think, however, that these remarks are addressed solely to companies with accident frequencies above the industry average. Among the companies with better than average performance, there is need for plenty of improvement before the electric industry can take its place among the exemplars of industrial safety, as an industry so deeply imbued with a public conscience certainly should do.

Perhaps too many managements in our industry are trying to delegate to staff departments a responsibility which properly belongs with themselves and with the line organization.

There's No Tolerable Accident Level

Or perhaps the fault lies in the measure by which management estabilshes its safety objective. With the record of the past confronting us, it is not unnatural for management to assume that a certain number of accidents is inevitable. Let me confess, in preparing these remarks, I caught myself thinking of a phrase "tolerable level of accident frequency."

There is no such thing as a tolerable level of accident frequency, unless it be zero. In preparing an earnings estimate or a balance sheet, the accountants may insist upon a contingency provision for the cost of injuries and damages, but management makes a mistake when it budgets a given number of accidents.

Those of us who are baseball fans know that Hank Aaron of the *Milwaukee Braves* led both major leagues with a batting average of .355 last year. Based upon that record, each time he goes to bat this year, the odds are nearly two to one against his hitting safely. But does he budget a given number of strike-outs or pop-ups? I don't know the answer, but I dare say that the best hitter in baseball intends to hit safely every time he steps up to the plate.

Again referring to the 180 companies reporting to EEI last year, I find 17 which reported no disabling injuries and five others which reported less than one accident per million man-hours worked. Do the managements of these companies budget a given number of accidents each year? I do know the answer to that. And I suspect we all know it.

The plain fact is that, in discharging its responsibility for safety, there is only one right objective for management to set—and that is the complete elimination of accidents.

True, this objective may never be attained — just as no baseball player will ever hit safely every time he goes to bat — but any lesser objective, set as a mark of achievement, will tend to breed accidents rather than prevent them.

That is not merely a rhetorical statement. It is made after much thought, even soul-searching, on my part. It is made in the face of a rather sobering experience I suffered last year. In the first 10 months of 1959, our company had incurred only three disabling injuries. About the first of November, I agreed to appear on this program. There followed immediately a series of accidents, totaling five in the next two months. I assure you, there was no letdown in our efforts to promote safety. One could almost say that those accidents just happened. If I were inclined toward superstition, I might conclude that it is a grave mistake to talk, or agree to talk, about safety. Certainly, I have had to ask myself, again and again, does it really make sense to strive for the complete elimination of accidents? But the answer is always, "Yes." It is the only objective which does make sense. Once accept the proposition that accidents — some accidents—are inevitable, and the war against them is already lost.

I have been told by some of my friends in industry that to set as a goal the complete elimination of accidents would be to impose intolerable cost burdens on their operations. I don't believe it. True, if safety becomes an obsession, to the point where no worker is permitted to do his job without the constant surveillance of another person whose sole duty it is to watch the worker to make sure he doesn't put his hand or foot in the wrong place, and if another person is assigned to keep his eye on the watcher to be sure he stays awake, the cost burden would become intolerable. And, human nature being what it is, I suspect that the number of accidents would increase. But, if safety is taught and practiced as a matter of common sense, as a way of life, even though it may require watchers on certain hazardous jobs, it will not add to the overall burden of costs but will pay dividends instead.

Attacks False Concept of Cost

It may be that to many managements use a false standard in measuring the costs of a safety program. It is a mistake to think that the economic value of an effective safety program can be measured by weighing the cost of tools and equipment, and the man-hours spent on training and supervision, against a possible reduction in the amount of insurance premiums or accident awards. I need hardly tell this audience that there are other values, harder to measure but far more important than the cost of insurance. Some of them, such as the avoidance of lost time by entire crews or even whole departments when accidents occur, are economic values. And some of them, such as the pain and hardship which accidents bring to individual workers and their families, are human values. The day has passed when management can afford to ignore any of these values, for the economic and the human are inseparable.

A safe place to work is a good place to work. Which is another way of saying that safety, encouraged by management and achieved through the common sense application of sound techniques, is a vital factor in developing the kind of human relations within a company which are prerequisite to cooperativeness and to a high level of productivity.

For fear that these remarks may be passed off as a sermon couched in terms too abstract to be helpful, let me conclude with a set of specific suggestions as to how a management which recognizes its responsibility for safety can effectively discharge it. I endorse these suggestions but cannot claim their authorship. They were developed by the members of EEI's Accident Prevention Committee at a meeting two years ago, at which the subject for discussion was "What I Would Like to See Top Management Do About

Whirlybirds give wings to Puerto Rican power

Over rough ground and fertile plantation acres in Puerto Rico, helicopters place poles and string out new power wires at a rate up to nearly five miles a day.

This airborne technique saves much time and money in building the electric system vital to the Commonwealth's industrial evolution. New power-grid construction last year was 70% greater than in 1958, and use of electric power in Puerto Rico rose at nearly *twice* the U. S. average rate of growth.

This power-system construction is partly financed by bond issues of the Puerto Rico Water Resources Authority, whose debt service requirements were covered 1.75 times by revenues in 1959. The bonds are exempt both from U. S. federal and state income taxes. They merit consideration for their sound security and liberal yields. Your own bank or investment dealer can give you full information.

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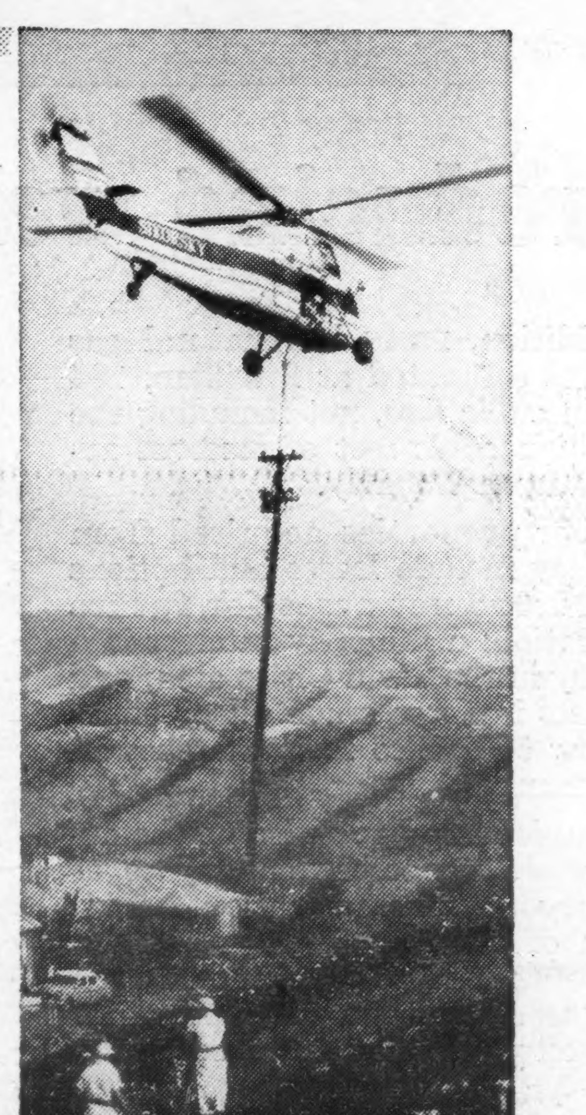

Safety." And here, is what they would like top management to do:

Gives Specific Program

(1) Attend and participate in employee safety activities such as meetings, inspections, award presentation ceremonies, investigations, evaluations and analyses.

(2) Establish and maintain an active safety policy.

(3) Include safety performance in evaluating individual performance.

(4) Support reasonable disciplinary action for failure to follow established safe practices.

(5) Hold every level of supervision accountable for safety.

(6) Provide for effective training.

(7) Provide an adequate, competent safety staff.

(8) Place the same emphasis on accident prevention as on production.

(9) Demonstrate that safety is an integral part of operations.

(10) Direct engineering and operating personnel to consult safety representatives on safety of design.

(11) Appoint a joint safety and operating committee to establish uniform accident prevention rules among companies.

If top management throughout the electric industry will sincerely accept its responsibility for safety and diligently follow the suggestions of the EEI Accident Prevention Committee, I dare say the day will be not long in coming when we can point with pride to a truly commendable performance, one worthy of this great industry of ours.

*An address by Mr. Wolfe before the 28th Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 8, 1960.

Corp. Resources Formed in Cleve.

CLEVELAND, Ohio—Two of Cleveland's commercial banks and four Cleveland investment banking firms have announced they are organizing a new small business investment company.

Robert B. Blyth

Participants in the new company, to be known as Corporate Resources, Inc., are: The National City Bank of Cleveland; Union Commerce Bank; Ball, Burge & Kraus; Fulton, Reid & Co., Inc.; Merrill, Turben & Co., Inc., and Prescott & Company.

Under present plans, the initial capital for the new company, ample to meet borrowing requirements for anticipated operation in the foreseeable future, will come entirely from the participating firms.

The company is being formed to provide a needed source of risk capital to assist growth industry in Ohio and contiguous states. Its establishment will mean availability of funds to growing enterprises which are not in position to raise needed capital through ordinary channels, such as public offerings of stock through investment bankers. Technical assistance will also be available to firms borrowing from Corporate Resources, since the established connections of its participants provide access to outside consultants in all of the technical fields.

Directors will be as follows: Raymond Q. Armington, Director, Union Commerce Bank, and former General Manager, Euclid Division, General Motors Corporation; Peter Ball, Senior Partner, Ball, Burge & Kraus; Robert B. Blyth, First Vice-President and Senior Investment Officer, National City Bank; Harry F. Burmester, President, Union Commerce Bank; John S. Fangboner, President, National City Bank; Yost W. Fulton, President, Fulton, Reid & Company; Wade N. Harris, President, Midland-Ross Corporation; George R. Herzog, Chairman of the Board, Union Commerce Bank; Charles B. Merrill, Chairman of the Board, Merrill, Turben & Company; A. Dean Perry, Vice-President and Treasurer, The Harshaw Chemical Company; Edward P. Prescott, Senior Partner, Prescott & Company, and Robert W. Ramsdell, President, The East Ohio Gas Company.

The officers of Corporate Resources will be: Mr. Blyth, President, Donald L. Harbaugh, Vice-President, Union Commerce Bank, Vice-President; Robert M. Hornung, Vice-President, National City Bank, Vice-President; Anker C. Studsgaard, Comptroller, National City Bank, Treasurer, and George P. Dietzel, Assistant Vice-President, Union Commerce Bank, Secretary.

Form E. R. Dunn Co.

POMPANO BEACH, Fla.—E. R. Dunn & Co. Ltd. has been formed with offices at 2769 East Atlantic Boulevard to engage in a securities business. Officers are Edward R. Dunn, President, and David R. Dunn, Secretary-Treasurer. Edward R. Dunn was formerly a principal of Dunn & Co., New York City.

To Be Du Pasquier Seskis

Effective June 1 the firm name of Du Pasquier & Co., Inc., 61 Broadway, New York City, members of the New York Stock Exchange, will be changed to du Pasquier, Seskis & Co., Inc.

Patchogue Assoc. Formed

BROOKLYN, N. Y. — Abraham Traub and Barry Traub have formed Patchogue Associates with offices at 16 Court Street, to engage in a securities business.

D. B. Hutchinson Opens

FT. LAUDERDALE, Fla.—Donald B. Hutchinson is engaging in a securities business from offices at 407 Southeast 24th Street under the firm name of D. B. Hutchinson and Co.

Roger Kendall Opens

LOS ANGELES, Calif.—Roger H. Kendall is conducting a securities business from offices at 8343 Redpath Drive under the firm name of Roger Kendall and Co.

J. H. Mitchell Opens

LOS ANGELES, Calif. — J. H. Mitchell, Jr., is engaging in a securities business from offices at 727 West Seventh Avenue, under the firm name of J. H. Mitchell, Jr., & Associates.

Walter Powers Opens

WHEELWRIGHT, Mass. — Walter R. Powers is conducting a securities business from offices on Barre Road under the firm name of Walter R. Powers Co.

NEWS ON TEXACO PROGRESS

From two horses to 200-horsepower

YESTERDAY—"petroleum" was primarily kerosine, the fuel that fed the lamps and cooking stoves of America. Sold by local grocery and hardware merchants, it was delivered to them once a week. It was Texaco that first met the urgent need for twice-weekly deliveries, with its horsedrawn tank wagons. Daily deliveries soon followed.

TODAY—the chief product of petroleum is gasoline, moved swiftly from storage point to market in giant, modern tank trucks. Today Texaco's fleet of red trucks serves more than 39,000 Texaco Dealer stations across the nation. Alert marketing operations, based on service to America's motorists, have contributed to Texaco's continued growth.

TEXACO

Adverse Effect of the REA's On Nation's Balance Sheet

By Walter T. Lucking,* *President, Arizona Public Service Co.*

Arizona observer of Rural Electrification Administration's sizable growth says it's time for the government's progeny to cut itself off from dependence on non-tax status, low cost financing, subsidization and other favored treatment, and to become self-supporting adults like other members of the free-enterprise system. Alarmed at the opposite course being pursued in some areas, wherein co-ops are banding together in super organizations and others are serving non-farm industry, commerce and residential customers in competition with private utilities, Mr. Lucking sets forth a program to reverse the role of REA co-operatives and to overcome the unfriendliness of his fellow utility heads toward the REA. The basic question, according to Mr. Lucking, is whether or not the development of this country's electric production will be under free enterprise or whether the government will have full control.

On the balance sheets of the business world we record our assets and liabilities, which reflect our successes, our failures, our wisdom, our daring and our judgment. The balance sheet serves two purposes. It tells us what has happened in the past and provides a written record to guide us in the future. Today as we look at the rural electrification balance sheet, I tend to assess the past to the extent that from these pages of experience we can evaluate where we are in 1960 and better plan for the decades ahead.

Walter T. Lucking

So, first, what of the past? The history of rural electrification goes back 40 years, to 1920, when the investment of private funds in electric companies coupled with technological advances, made it possible to begin major emphasis on rural electrification. Our industry recognized that rural electrification was an integral part of electric company development. During the 1920's we pioneered in finding better and more economical ways of using electricity on the farm. We joined forces with other interested groups in bringing about a coordinated, systematic study of the problems of rural extensions and methods of promoting the use of electricity on the farm.

1929 Altered Picture

Optimism for the rapid electrification of farms ran high during the decade of the '20's. Real progress was being made. However, the great depression of 1929 changed this entire picture overnight. True, the need for rural electrification was greater than ever. But, the sources of investment capital necessary to continue this and many other programs dried up. The few funds available for investment were attracted to better returns elsewhere, for the return on rural extensions was poor in a shattered economic situation. The farmer himself underwent serious economic reverses. He did not have the money available for appliances or electric equipment. Often, he did not even have the money to wire his home.

Despite the tight money conditions, the electric companies realized the importance of continuing attempts to serve the vast rural market. We knew that farmers were anxious to have the benefits of electricity. We knew, too, that electricity could serve as an important tool to help solve the extreme economic plight of the farmer. In many areas electric companies were able to continue to extend their lines into rural areas, despite the economic handicaps. But the odds against the industry as a whole were almost insurmountable.

And so, in one of its many ventures to provide new jobs and to prime the economic pump, the Federal Government established the Rural Electrification Administration in 1935. An emergency loan fund of $100 million was created for farm electric development. Previous to, and at this time, the electric companies were cooperating to aid in any way possible the development of a feasible program. Then, in 1936, the Norris-Rayburn Bill was passed, establishing the REA as a permanent agency.

The Act stated, "The Administration is authorized and empowered to make loans in the several states and territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central station service."

Intent of Congress

A clear preference was to be given non-profit organizations. Although investor-owned utilities could apply for loans, in actual practice few could avail themselves of the loan funds. It is important to note that the accepted intent of Congress at the time of passage of the Act was that REA funds were for the farmer only and that electric service should not be extended to people who could be served by an existing utility. Until the passage of this Act neither Federal nor state governments had played an important role in rural electrification.

As our country recovered from its economic ills in the late Thirties, capital once more became available, and the electric companies were able to revitalize their programs for rural electrification. Since that time, farming, so essential to our country's survival and growth had made almost unbelievable progress. Today's farmer can feed nearly 25 people, whereas his father could produce only enough food to feed 10 people. Many modern farming techniques make this record possible. As an industry we are proud of the role played by the modern miracle of electricity.

Where is rural electrification today? Simply, the job is virtually complete. Today 97% of the nation's farms are electrified. Nearly half—43%—are customers of investor-owned utilities. Forty per cent of the remaining farm customers are served by REA co-ops who purchase their entire power supply from private companies. This means that not only do investor-owned utilities serve directly nearly half of the nation's farms, but we have assumed the responsibility for supplying the total power needs for 66% of these rural consumers.

These facts testify to the willingness of investor-owned utilities to electrify the nation's farms through its own resources as well as to assist the REA co-ops in their approach to what has been a tremendous problem to solve.

When we look at the balance sheet for the 25 years of the REA's existence we realize that rural electric cooperatives have become a sizable factor in our industry and the nation's economy.

1,000 REA's Operating

There are about 1,000 such electric systems operating in the country today. They serve nearly five million customers in 46 states, and have gross revenues of $618 million. Facilities installed to provide this electric service represents an investment of Federal loan money of nearly $4 billion.

These co-ops have grown rapidly and many of them have grown successfully. As of the end of 1958, 909 co-ops reported a combined net margin (this is their term for profit) of more than $74 million. In addition, "investments and special funds" totaled more that $237 million for a total figure of more than $300 million.

So, as we look at the "Rural Electrification Balance Sheet" I think it is appropriate for us to keep two things in mind. First, they are a big business, profit-making operation; and second, they are in business legally. Whether we like it or not, we must face up to the fact that REA co-ops are here and are in business in practically every state in the Union. Federal laws provide the means whereby they obtain cheap 2% money for growth. Since they show a "net margin" rather than profit, they pay no income taxes. Various state laws provide additional encouragement for these individual electric systems to set up shop. As a result, most electric co-ops today are prosperous business operations. Many have departed from the original concept of farm electrification and seek industrial and commercial growth. However, some still operate on a marginal basis to provide only the electrical needs of the farmer.

So, between the electric companies and REA's the job of rural electrification is virtually complete. Where do we go from here, and what part is to be played by the electric companies and the REA's?

Rural America's economic development and growth is proceeding so rapidly that its electric power consumption has been doubling every four to five years, compared with seven to 10 years for the nation. An important factor in this growth pattern is the continuing movement of non-farm families, business and industry from urban centers to rural areas.

Non-Farm Customers Big Factor in Co-op Sales

This is made strikingly clear by the fact that non-farm elements now use more REA-financed electricity than farmers. The REA's report for the fiscal year 1959 tells us that **non-farm** customers accounted for 54% of total power sales. Moreover, about 75% of their 131,500 connections were **non-farm** rural consumers, a ratio of three to one over the farmers. This proportion is bound to widen with the continuing growth of non-farm population and industry in rural and suburban areas.

REA estimates that this growth will require the investment by its electric co-op borrowers of an amount far in excess of loans made thus far in the program. In fact, future capital requirements of these systems have been estimated at $1 billion annually. This is in addition to the billions that our companies plan to invest for rural growth.

Continued use of electricity to further modernize the farms and to increase production is a vital necessity in a nation of rapidly expanding population. There is no question that today's farmer is a major market for all things electrical. Both the electric companies and the REA co-ops have a direct responsibility for meeting this challenge.

It is the goal of investor-owned utilities to bring the best possible electric service to **all** customers at a continually lower cost. We must operate as economically as possible in order to insure a fair return to the investors who put up the money that enables us to keep up with and stay ahead of the nation's dynamic growth. Our responsibility to customers, investors and employees has never been greater.

Should the goals of the REA co-ops be any different from ours? They, too, should seek better service at lower cost. They should strive for operating efficiencies and financial solvency. They should set aside reserves for emergencies and to take care of the continued growth facing them. They, too, ought to meet the responsibility for equitable wages and working conditions for their employees.

Yes, their goals should be much the same. Unfortunately, however, we cannot agree on the methods and means to achieve them. Yes, they have the legal right and responsibility **not** to make a profit if they choose the cooperative means. We have chosen the course that provides a profit and achieves our objectives at the same time.

Although in some areas we have been able to cooperate with the REA's in solving our mutual operating and technical problems, it is an unfortunate fact that general relations between the REA and private companies are not as good as we would like them to be. This unfriendliness is caused by many factors and varies from area to area. Some of it is operational while much represents ideological and political differences. In many cases the co-op leadership through the National Rural Electric Cooperative Association is quick to remind us that they would not be in existence today if we had done the job originally. We only have to look at the conditions of the economy during the time the REA's were formed to answer this particular statement. Some say that since they are in business and have been fairly successful we want to take them over. This is not our attitude. Rather, if they are successful we want them to join this great industry as a member of the free enterprise profit-making system.

The Vital Issue

The basic question is whether or not the development of the electric business in this country will be under free enterprise or whether the government will have full control of this industry. The actions of many people in all phases of our life are making them more and more dependent upon their government, whether in the form of subsidy or outright gifts. As they grow less and less dependent upon themselves to activate and promote their individual success, the day of government ownership and control comes speedily upon us.

From statements made by some of the REA leadership it appears that this is the pattern which they wish to follow. These statements voice beliefs that imply the co-op farmers are socialistic in their makeup. I cannot believe that

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most individual co-op members consider themselves socialistic. In their own individual farm business operations they must deal with the profits and losses — and taxes—of our free enterprise system, just as you and I do. In many cases the individual member does not fully realize how he is receiving his power supply, nor is he in accord with the idealogies of the most vocal REA leaders. He undoubtedly pays his bill just as he would to one of our companies not fully understanding the public power goals of the NRECA.

Most co-ops consider themselves as locally owned, controlled and managed. They claim the right to operate on an equal basis with investor-owned companies in performing their service operations. Their only route to bring this about is for them to accept the full responsibility of business as well as enjoy the privileges of business. Surely, fair minded members of co-ops would agree that they should pay their full share of community, state and Federal obligations, thus strengthening the necessary functions of government. Surely, fair minded members of co-ops would agree that they should turn their backs on 2% Federal loans when the cost of money to a government is 4% and above.

In an economic system which has made this nation great, no one group can prosper for long at the expense of all others. For this to continue and expand would mean the destruction of the nation as a whole.

Rural Electrification Now of Age

I might compare the Federal loan and tax subsidies of the REA's to the rearing of children by parents. None of us as parents would disagree with the time and monies each of us spend during the formative years of our children. We contribute in every way possible to make them healthy, well educated future citizens. We provide the necessary food and clothing during those years when they are unable to obtain these for themselves. However, at their coming of age we as parents fully expect them to be on their own, to support themselves, and to contribute **of themselves** in their relationships with their fellow human beings.

Rural electrification is now 97% complete. It has come of age. Shouldn't the REA co-ops now take on their own responsibilities of full citizenship? Need they any longer rely on the parent in Washington to insure the future? It is true that certain individual co-ops may need further help before they establish themselves as full-fledged partners in the free enterprise system. Some are coming of age at different times and may have problems which they have not been able to solve as fast as others. But it is time for the vast majority to assume full citizenship.

Yet, in some areas just the opposite is happening. We find certain co-ops banding together in either state-wide or super co-op organizations to promote large generation and transmission projects. Others are expanding to serve industry, commerce and communities served by efficient, well-managed tax-paying utilities. Some co-ops are no longer content to serve the rural electrification purpose for which they were originally intended. Now, they also want to reap the harvest of profits in commercial, industrial and residential loads—on top of the subsidies contributed by the Federal Government—in their ever increasing efforts to get something for nothing.

Need for Mutual Trust

Can mutual trust and cooperative utility operation be brought about when REA spokesmen urge that the Federal Government has a responsibility to guarantee their power supply at a subsidized price without raising rates, irrespective of the cost to the taxpayers? Can we have mutual trust when they feel that all power generated at Federal dams, which are financed by the taxpayers, belongs to them and that the Federal Government should build the transmission lines to their load centers? Can we have mutual trust when they urge that after Federal hydro power is no longer available the Federal Government should build steam plants to serve them?

These attitudes indicate they want all the benefits of an expanding economy without any of the headaches of inflation. All of these are examples of the negative attitude displayed by the leadership in the REA's and are not examples of how America has been built.

It is time for the REA leadership to turn from a negative program which builds weakness rather than strength.

It is time that these people forget what they can take away from America and start thinking of what they can contribute to its economy.

It is time for them to realize that their efforts are undermining the basic forces which have produced the dynamic growth of this nation.

To bring about a solution to this problem we need the highest caliber of leadership from both sides with the goal in mind by all concerned that the answer should be in the best interest of all people. We of the electric companies have to understand the REA problems and we have to start taking those constructive steps which will aid in solving these problems. Our nation's business system is predicated on the basis of fair-minded individuals sitting down with one another to discuss problems. I am confident that the old, time-honored method of working out differences can be applied to this problem for the mutual benefit of all. This should be done on the local level where men who know and respect one another as efficient, honorable businessmen can get together.

We can start on a two-way street of cooperative effort in relation to power supply, facilities planning, and common operational problems.

For example, more and more investor-owned utilities are integrating their power facilities across the nation for reasons of economy as well as in the public interest. Our customers need not look to super TVA's or to the giant Federal power agency proposed by the NRECA as the means to gain resource and operational benefits by integrating the nation's power facilities. This job can and will be done by individual investor-owned utilities working together. Such cooperation among electric companies has led us to significant technological improvements in all phases of our industry.

As the integration of facilities continues at an ever increasing rate and as we make greater technolcgical strides, can or should we ignore the REA co-ops? Should we isolate them from our forward planning and shunt them aside to fend for themselves?

Overall Public Interest Must Be Served

No, if the best **overall** public interest is to be served we must invite and urge the co-ops to benefit from and contribute to the planning of the nation's electric industry. To achieve this goal requires the assumption of responsibility and leadership by the management of private companies and co-ops alike. Together we can find the avenue that will lead us to the solution of technical and operational problems.

Working together, we also must find the way to show farm customers how to take even fuller advantage of electrical energy, if this is the most economical form of energy available to them. One of the most important contributions in this respect has come through the inter-industry Electric Utilization Council. Through the Council electric companies and co-ops have achieved worthwhile results in many areas.

Coming together on mutual problems such as these can be a major starting point for bringing the co-ops into the free enterprise system. We in the electric companies should remember that most of the individual members of the co-op movement are free enterprise citizens who joined the coops in order to gain much needed assistance in the formative years of rural electrification. Yet, while we find the job of rural electrification essentially complete, a major difference in philosophy exists between the two parties doing this work.

Which way the scales will tend to balance in the future with regard to the philosophies will depend upon our individual efforts to work with individual co-ops on their problems. It will depend on our efforts to help them realize they have grown up and should now take full responsibility for participation in the community, state and nation. The rural electrification balance sheet can and will have a profound affect on our nation's balance sheet.

If one of the founding fathers of this country were to have the opportunity to add up our nation's assets and liabilities, I think he might be disappointed at what he found.

Those men of 200 years ago saw this nation as a union of free people, gathered together and working together for one common goal, the betterment of all the people —in a free society.

Threat to Free Society

We have permitted what I consider some alien thinking to creep into our society—which puts us in danger of losing sight of that goal. We have permitted ourselves to become more concerned with separate segments and classes within our society. We have become more concerned with the material values, and no longer put our major emphasis on the values and balances which form the bedrock of our country. We have slipped away from those concepts which promote the best interests of all.

We need to revive in this country today some of the courage and wisdom that our forefathers possessed. We have to be big enough to solve our own problems and to work out solutions that will be for the common good.

And when I say we, I mean particularly those of us in our own industry. We have the responsibility of helping remove some of the liabilities that are on our country's balance sheet.

I can think of no better place for us to start than in our relations with the REA's, and in bringing about equality between ourselves and REA's — both in rights and in responsibilities.

This we must do if the electric industry — the investor - owned utilities and the REA's — is to fulfill effectively its obligations in providing for the future development of the country.

*An address by Mr. Lucking before the 28th Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 6, 1960.

Lee Kerbel Opens

BRONX, N. Y. — Lee Kerbel is conducting a securities business from offices at 735 Pelham Parkway North.

Mayer Opens Office

LYNBROOK, N. Y. — Arthur E. Mayer is engaging in a securities business from offices at 66 Hollywood Avenue.

Mutual Fund Brokerage

POCATELLO, Idaho — Mutual Fund Brokerage Corp. of America, Inc. has been formed with offices at 836 East Center to engage in a securities business. Officers are Jay R. Lowe, President; Leonard A. Taylor, Vice-President and Callis A. Caldwell, Secretary and Treasurer.

Form Sacks, Wunderlich

Sacks, Wunderlich and Co., has been formed with offices at 342 Madison Avenue, New York City to engage in a securities business. Partners are Seymour Sacks and Arthur I. Wunderlich.

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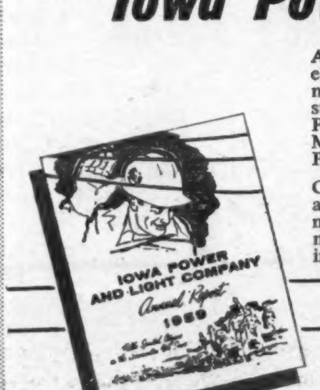

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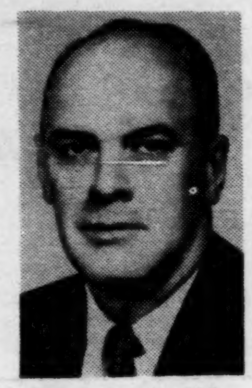
Live Better Electrically— Key to Electrifying Sixties

*By R. G. MacDonald,*Vice-President, Marketing, West Penn Power Company and Chairman, Planning-Task Committee of Live Better Electrically Program*

Mindful of the gas industry's promotional program, Mr. MacDonald reports on the progress of the "Live Better Electrically" program of the industry. This is shown to require the active and direct participation of every electric company head, manufacturer and trade ally. Electric utility heads are criticized for spending so much less on advertising than appliance manufacturers and for not capitalizing on public's preference for electricity. In outlining contents of recommended advertising program these items are discussed by Mr. MacDonald: (1) how end benefits of electric appliances outweigh cost incurred and why stress should be placed on benefits to the family as a whole and not just to the mother; and (2) use of the opposite competitive advantage heralded by the gas industry—the symbolic phrase "Electricity is Flameless."

A year ago, Mr. E. O. George, Mr. T. O. McQuiston and Mr. George Ousler outlined the industry's **business problems and opportunities** that made it imperative for the investor-owned utilities of America to undertake a national advertising, promotion and publicity program called Live Better Electrically. The business problem was summed up in the fact that, over the last 10 years, electricity's share of the appliance market has decreased in the face of aggressive, coordinated competition from the gas industry. The opportunities were spelled out by Mr. McQuiston in the following sentence: "The all-gas house brings us a total of $52 a year, while the all-electric home offers us $425 — a ratio of 1 to 8."



R. G. Macdonald

In addition, it was pointed out that the manufacturers of electric appliances were doing an excellent job of advertising, as they must, their own competitive brands and brand features, with only the most incidental reference to electricity or no such reference at all. Locally, manufacturers and appliance dealers were promoting appliances, individual appliances. And, again locally, utilities were spelling out the competitive advantages of electricity over other types of energy.

Overcoming Industry's Disinterest

Two things were missing, however. First, despite millions upon millions of advertising and sales dollars being invested against individual appliances, our industry was investing only pennies in presenting the **concept** of total electric living. I stress the word "concept." Second, leadership was needed at the national level to coordinate and tie together the efforts of all segments of the electrical industry—uniting them behind the total electric living concept, uniting them behind our slogan, "Live Better Electrically," uniting them behind some kind of battlecry that would show the American public that our entire industry is truly unified, no less than the gas industry is unified in the AGA promotional program. I stress the words "national leadership."

My purpose here is two-fold: First, to report on the progress of the Live Better Electrically program and briefly review the advertising that has now been approved for the next 18 months. And second, to ask every company in EEI and every manufacturer and every trade ally to take a direct and active part in this total electric living crusade.

Speaking for the Planning-Task Commitee, I will touch upon the following points:

(1) The results of a mail questionnaire sent to utility executives asking their opinions of the LBE Program.

(2) The results of a remarkable consumer study.

(3) A statement of policy developed by the LBE Policy Committee.

(4) A so-called copy platform, a set of guide lines used in developing our national advertising.

(5) The advertising itself.

(6) Finally, four ideas for you, as decision makers for the utility industry, to consider as benefits for your individual company and the industry of which you are a part.

Let's begin with research. Last winter, questionnaires were mailed to utility chief executives, sales vice-presidents, residential sales managers and advertising managers. The objective was to find out how they felt about the LBE Program in its first years. It is interesting that the answers of all four groups were basically the same. Only one out of three felt that the national electric program was strong, while 71% rated the AGA Program favorably. Incidentally, AGA was widely praised by the electric utilities for its sponsorship of the nighttime television show "Playhouse 90." Perhaps it's significant that 86% felt that the LBE Program was **improving** while only half as many credited AGA with making comparable progress. I might add that AGA's national promotional budget is about 120% larger than ours.

A questionnaire was sent to appliance dealers in all parts of the country. Seven hundred and thirty-six responded. Note that nearly twice as many rated AGA advertising ahead of the national electric program. About half felt that we were making progress. The most interesting fact, of course, is that AGA was given enormous credit for its sponsorship of "Playhouse 90." This, again, reflects AGA's far greater budget.

One unmistakable fact stands out from these surveys: The two segments of our industry who carry the ball at the local level—the utilities who sell the energy and the dealers who sell the appliances—both have the distinct impression that the gas industry is out-promoting us at the national level. If we are not doing a strong enough job to excite our **own** people, how can we hope to excite the public? Exactly what is going on in the public's mind? What is the public's attitude toward electricity? What does it expect of our industry? Indeed, is the public really receptive to our total electric living story? There is not a shred of doubt, not the slightest question, that the public **wants** to Live Better Electrically, and **expects** to do so.

Finds Public Receptive

May I present the evidence that the public's mind is ready and eager to receive our Live Better Electrically story. Last winter, the LBE Program invested $27,000 in a depth study to determine the state of mind of the American public as it examines the advertising of the electric and gas industries, and makes its choice. Three hundred interviews with both wives and men, lasting as long as two hours each, were conducted among middle income families in these 11 cities—

Chicago; Cleveland; Dallas; Detroit; Long Branch, N. J.; Los Angeles; Miami; Minneapolis; Omaha; Springfield, Mass.; and Washington, D. C.

Our study dramatically shows that the consumers **expects** the manufacturers and utilities to work together in presenting the story of Electricity in the Home. The consumer has virtually no interest at all in the use of electricity per se—although this is the primary interest of the utilities which produce and sell it. The consumer's interest rises as we come to the area which is of primary interest to the manufacturers of appliances—"the use of specific appliances" and "the work these specific appliances will do." The consumer's interest reaches a peak when she thinks of the "personal and family benefits" that result from having appliances do these jobs. The key idea is that we must appeal to the consumer on the basis of the **"family benefits"** of total electric living.

"Everybody wants to 'Live Better' . . . to enjoy Modern Living." When the interview started, interviewers asked the simple question: "What does modern living mean to you"? Incredible as it may seem, to 60% of the people Modern **Living** means "Modern **Appliances**," either electric or gas. Tied for second place, way down at **9%**, are Modern House and New Car. Such glamorous things as jet airplanes and wonder drugs are also-rans. Undoubtedly these findings reflects the fact that people are spending more and more time in their homes—and their minds are open to the concept of better living through electricity. All-electric living has a clear meaning. To most consumers, it means many electric appliances. It is a highly desirable, pleasing idea. It means comfortable living, modern living. To many consumers, one out of three, it means, however, an expected high price tag.

Stress Benefits Outweigh Cost

But—and here is the very essence of our research—**cost** is a prime factor only when **motivation** is weak. The most powerful motives are the **end benefits** of owning and using appliances. Obviously, the challenge to those who make appliances, those who sell them and those who produce the energy to run them is to create advertising that helps the consumer see how the **family benefits** of electric living outweigh the cost.

"Resistances to buying any appliances arise from their greatest values . . . Time and labor saving . . . Better-living and Luxury." Here is the paradox of our business.

Middle majority women (that is, 75% of all women, those in the middle income class) feel that **working** at housekeeping is necessary to gain and hold the affection of husband and family. In addition, they are afraid that they may not know how to use more leisure time productively. And their husbands aren't sold on the modern emancipated woman.

Here we may summarize the desires and conflicts that beset the woman who initiates 90% of all appliance purchases. Naturally, she wants reduced work and time in housekeeping, and more status as a modern woman—and she is fully aware that appliances give her both. At the same time, she is afraid that work-saving appliances will reduce the esteem of her husband and family. Women want efficient, up-to-date homes —the same things men want in their business. Women want more social status, more pleasure in their work and "better living." But they have a twinge of conscience about indulging in the luxury of appliances.

What our research tells us can be summarized in the following five points:

(1) The term "modern living" means modern appliances.

(2) While people talk about appliances being expensive, cost is not a major factor if the motivation to buy is strong enough.

(3) Women, who initiate most of the buying action, hold back because they fear losing the love of husband and family **if appliances seem to make their lives too easy.**

(4) Women **want** appliances, but they need our help in justifying them.

(5) The way to help them—to give them the strong unselfish motivation they seek—is to show how appliances benefit the whole family, instead of just making her life easy.

These five points form the basis for our entire advertising approach.

People Prefer Electricity

The next question is this: When she chooses an appliance, shall it be electric or gas? Generally speaking, electricity has an attractive personality. Electricity is regarded as a key ingredient of our way of life. It offers unlimited future benefits. It means streamlined, comfortable living. It is clean, luxurious, pleasurable. Electricity per se is a mystery few care to understand. Many people have the notion it is expensive.

By contrast people tell us that gas has a minor **place** in our way of living. Its future is **definitely** limited—people expect very little in the way of new developments in gas appliances. It is functionally less efficient. Gas is old-fashioned—almost everybody admits this, but many gas range owners rather **like** the idea of being old-fashioned. The flame is easier to understand than the invisible mystery of electricity. And here we come to the overwhelming rationalization of people who favor gas: It is a less costly **substitute** for modern electric living.

Our data indicate that the total movement is strongly toward more electrical living. Our reasearch shows that the American public **expects** to live electrically in the future—but some consumer groups are moving less rapidly than others toward this desirable objective. These are the gas users, who are comfortably accustomed to using gas, who believe it has old-fashioned virtues, and who remind themselves that gas seems to be cheaper. An interesting fact supporting this inevitable move toward electric living is that gas range owners have only slightly fewer electrical appliances than those who cook electrically.

Hastening Exit of Gas Users

The obvious assignment of our industry—the utilities, the manufacturers and all our allies—is to hasten the movement of gas users toward the admitted goal of total electric living. This clearly suggests that our task is to describe our exclusive competitive advantages over gas **so the consumer can weigh the facts and make a wise choice.** In researching utility executives, we have found that they **want** a more competitive Live Better Electrically program. In researching appliance dealers, we have found that we **need** a more competitive Live Better Electrically program. In researching the consumer, we have found a strong desire for electric living and a desire for the competitive facts that will **justify the electric way of living in which they clearly believe.**

With such an unmistakable mandate, the Live Better Electrically Policy Committee drew up a statement of policy. This document reads as follows:

"The broad, strategic objective of the Live Better Electrically Program is to sell more residential kilowatt-hours by featuring specific competitive equip-

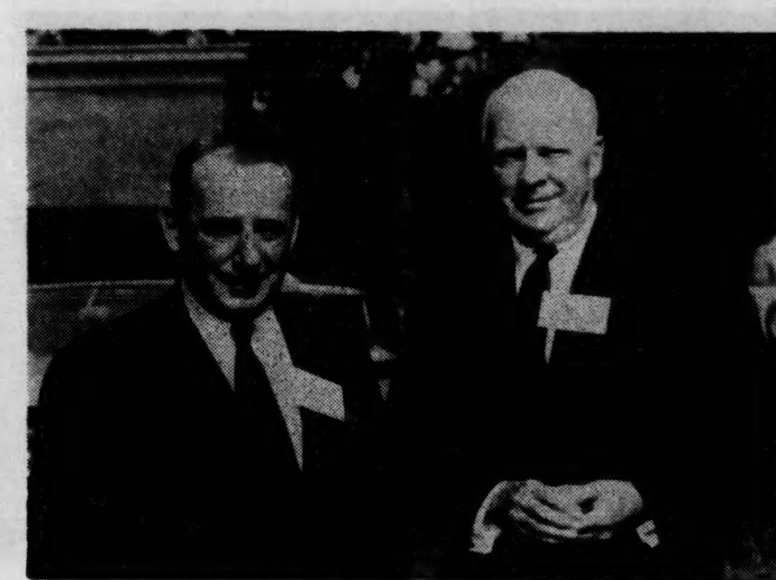
WORLD MARKET for CONNECTICUT PRODUCTS

In the Areas served by The Hartford Electric Light Company . . . metropolitan Hartford, Middletown, New London, Stamford and Torrington . . . myriad industries find employees, markets, resources and prosperity.

THE HARTFORD ELECTRIC LIGHT COMPANY
176 Cumberland Avenue Wethersfield, Connecticut

Bond Club of New York

Raymond D. Stitzer, *White, Weld & Co.*, incoming President; William B. Chappell, *The First Boston Corp.*, retiring President



Paul Devlin, *Blyth & Co., Inc.*; Lee M. Limbert, *Dean Witter & Co.*

Maitland T. Ijams, *W. C. Langley & Co.*; Walter W. Hess, Jr., *L. F. Rothschild & Co.*; J. Hindon Hyde, *Halle & Stieglitz*

Allen J. Nix, *Riter & Co.*; Allen C. Du Bois, *Wertheim & Co.*; David J. Lewis, *Paine, Webber, Jackson & Curtis*; Ernest W. Borkland, Jr., *Tucker, Anthony & R. L. Day*; Robert C. Johnson, *Kidder, Peabody & Co.*

Ernest J. Altgelt, Jr., *Harris Trust & Savings Bank*; David J. Lewis, *Paine, Webber, Jackson & Curtis*; G. Norman Scott, *Estabrook & Co.*; Earl K. Bassett, *W. E. Hutton & Co.*; Kenneth A. Kerr, *E. F. Hutton & Co.*

Philip K. Bartow, *Drexel & Co.*; Harold H. Cook, *Spencer Trask & Co.*; Robert A. Powers, *Smith, Barney & Co.*; Blancke Noyes, *Hemphill, Noyes & Co.*; Avery Rockefeller, Jr., *Dominick & Dominick*

Leo G. Shaw, *Ladenburg, Thalmann & Co.*; Homer J. O'Connell, *Blair & Co. Incorporated*; Joshua A. Davis, *Blair & Co. Incorporated*

Orland K. Zeugner, *Stone & Webster Securities Corporation*; Raymond D. Stitzer, *White, Weld & Co.*; Robert W. Fisher, *Blyth & Co., Inc.*

James D. Topping, *J. D. Topping & Co.*; Francis X. Coleman, *Gregory & Sons*; B. Winthrop Pizzini, *B. W. Pizzini & Co.*

Annual Field Day

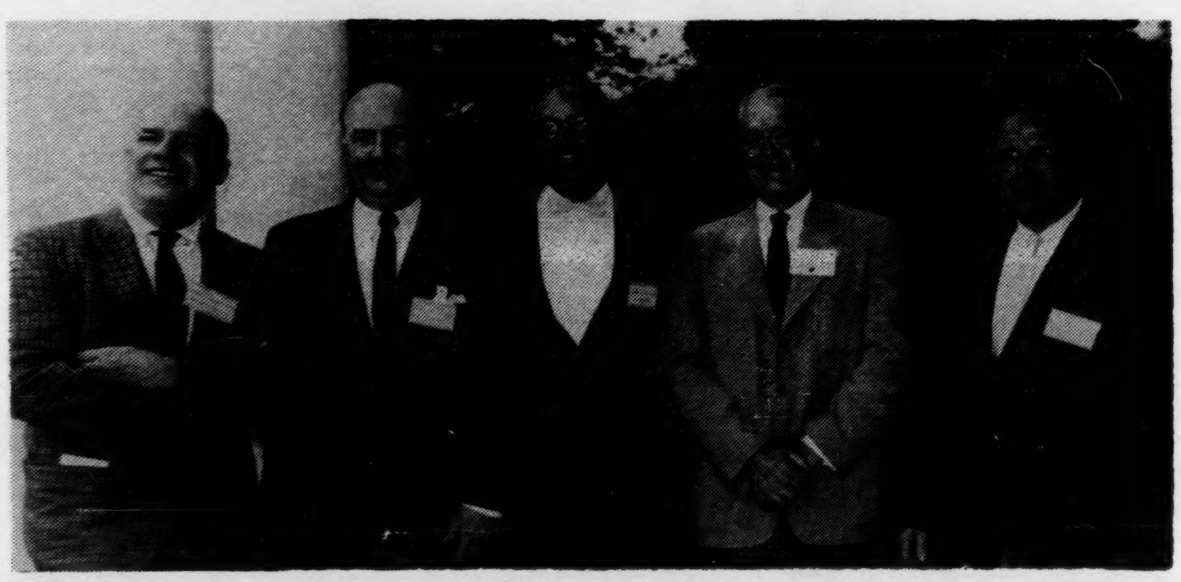
Robert L. Hatcher, Jr., *Chase Manhattan Bank;* Robert G. Dillon, *Dean Witter & Co.;* Elmer F. Dieckman, *Glore, Forgan & Co.*

Austin H. Patterson, *First Boston Corporation;* Robert L. Harter, *First Boston Corporation*

John W. Carleton, *Eastman Dillon, Union Securities & Co.* (Boston); Frank L. Lucke, *Laidlaw & Co.*

Edward A. Uhler, *R. S. Dickson & Co., Inc.;* August F. Huber, *Spencer Trask & Co.;* John D. Baker, Jr., *Reynolds & Co.;* Brittin C. Eustis, *Spencer Trask & Co.*

Nelson R. Jesup, *Clark, Dodge & Co.;* Robert A. Don, *Granbery, Marache & Co.;* Glenn Hartranft, *Clark, Dodge & Co.*



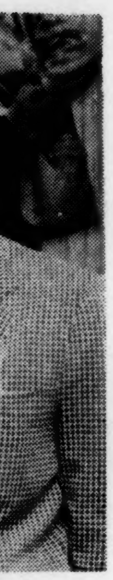
Edwin Fullerton Peet, *Burns Bros & Denton, Inc.;* David H. Callaway, *First of Michigan Corporation;* James F. Colthup, *Freeman & Co.;* Dwight S. Beebe, *Freeman & Co.;* Albert B. Hager, *Halsey, Stuart & Co.*

Worthington Mayo-Smith, *Blair & Co., Incorporated;* John C. Maxwell, Jr., *Tucker, Anthony & R. L. Day;* Jim Cooper, *First Boston Corporation;* Fred Wonham, *G. H. Walker & Co.;* Richard C. Egbert, *Estabrook & Co.*

Kenneth J. Howard, *J. A. Hogle & Co.;* Alfred J. Ross, *Dick & Merle Smith;* John M. Young, *Morgan Stanley & Co.;* John C. Curran, *Van Alstyne, Noel & Co.*

Darnall Wallace, *Bache & Co.;* Henry L. Harris, *Goldman, Sachs & Co.;* H. Albert Aschen, *Wm. E. Pollock & Co., Inc.*

Boston);



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Friday, June 3, 1960

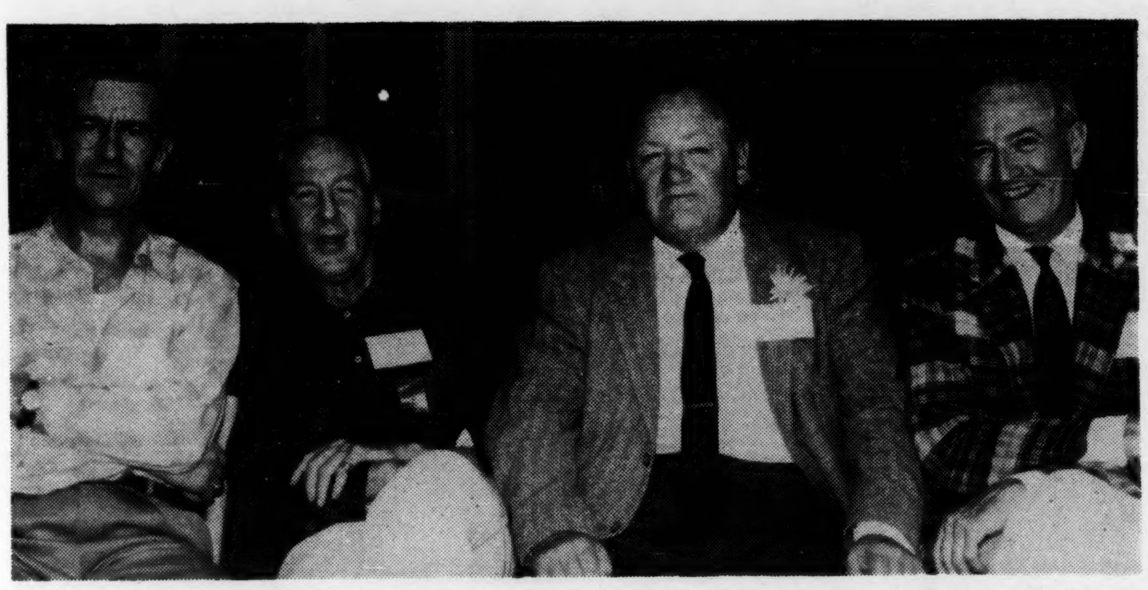
Edwin L. Beck, *Commercial & Financial Chronicle*; Malon S. Andrus, *Malon S. Andrus, Inc.*

Richard E. Boesel, Jr., *Kuhn, Loeb & Co.*; William B. Chappell, *The First Boston Corporation*; James F. Burns III, *Blyth & Co., Inc.*

Nelson Loud, *F. Eberstadt & Co.*; Eugene Treuhold, *L. F. Rothschild & Co.*; Emmons Bryant, *Blair & Co., Incorporated*

Ralph Hornblower, Jr., *Hornblower & Weeks*; Edward Glassmeyer, *Blyth & Co., Inc.*; John W. Valentine, *White, Weld & Co.*

Andrew G. Curry, *A. E. Ames & Co. Incorporated*; Rollin C. Bush, *First National City Bank of New York*; William R. Kaelin



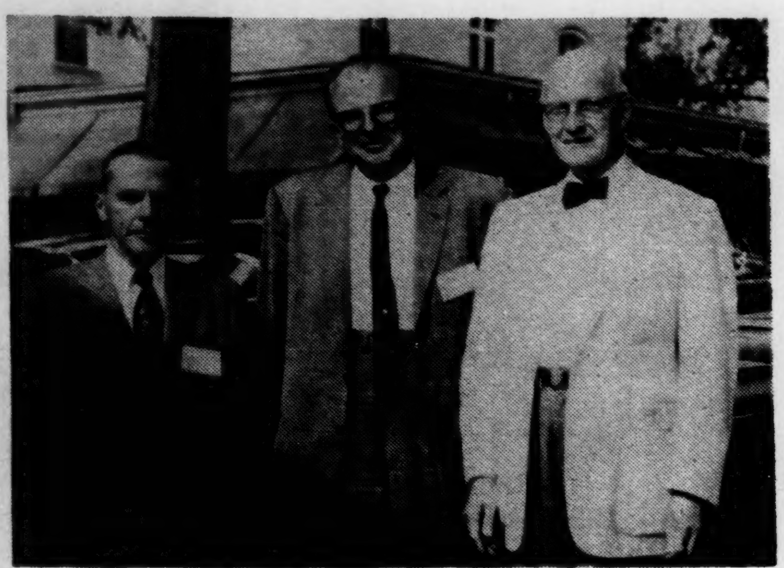
John M. Lokay, *Shearson, Hammill & Co.*; Wright Duryea, *Glore, Forgan & Co.*; H. E. Ballou, *Shearson, Hammill & Co.*; John J. Cronin, *Shearson, Hammill & Co.*

Thomas J. Cahill, *Chase Manhattan Bank*; George A. Barclay, *Kean, Taylor & Co.*; Arthur D. Lane, *Chase Manhattan Bank*; Sunny Sundstrom, *Schenley Industries, Inc.*

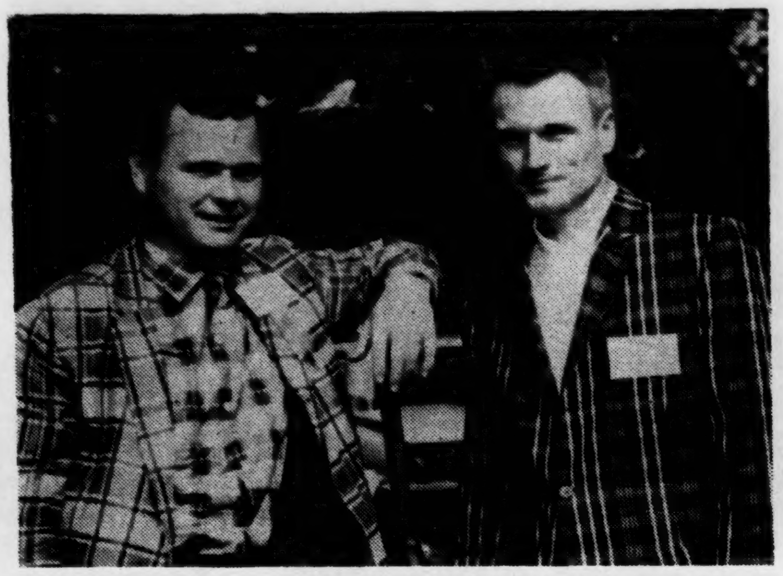
Lewis M. Weston, *Goldman, Sachs & Co.*; Edward B. de Selding, *Spencer Trask & Co.*; McKean Thompson, *Joseph Walker & Sons*

Jay E. Thors, *Asiel & Co.*; Marvin L. Levy, *Lehman Brothers*; Robert W. Swinarton, *Dean Witter & Co.*; Enos Curtin

At Sleepy Hollow Country Club



F. Donald Arrowsmith, *Van Alstyne, Noel & Co.;* Donald D. Mackey, *Dominick & Dominick;* Frederick S. Robinson, *Frederick S. Robinson & Co., Inc.*



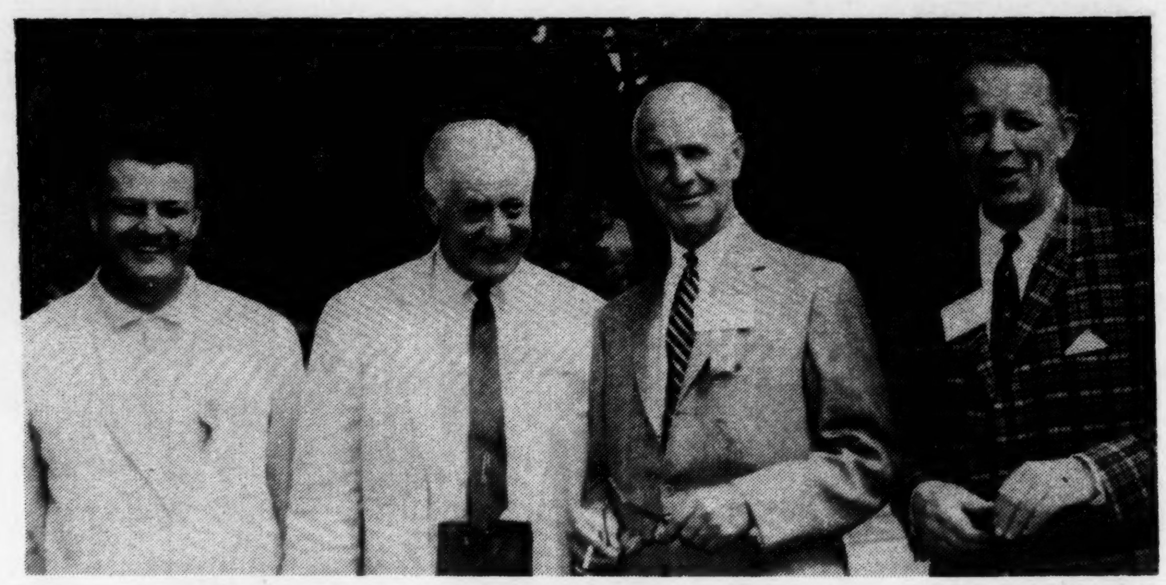
Herbert W. Marache, Jr., *Granbery, Marache & Co.;* Richard W. Baldwin, *Reynolds & Co.*

Garet O. Penhale, *Grace National Bank;* J. Raymond Boyce, *Auchincloss, Parker & Redpath;* John J. Clapp, Jr., *R. W. Pressprich & Co.*

Samuel H. Rosenberg, *Asiel & Co.;* Hudson B. Lemkau, *Morgan Stanley & Co.;* Frank L. Lucke, *Laidlaw & Co.;* Eugene G. McMahon, *J. Barth & Co.*

Henry Stravitz, *Swiss American Corp.;* Calvin M. Cross, *Hallgarten & Co.;* James W. Wolff, *Zuckerman, Smith & Co.*

Andrew W. Eberstadt, *F. Eberstadt & Co.;* Charles W. Rendigs, Jr., *Bache & Co.;* Henry F. Willems, *Hornblower & Weeks;* Frank J. Lockwood, *Glore, Forgan & Co.*



Arthur C. Burns, *Dominick & Dominick;* George E. Nelson, *Gregory & Sons;* J. Raymond Smith, *Weeden & Co.;* Charles S. Bishop, *The Hanover Bank*

George P. Rutherford, *Dominion Securities Corporation;* William S. Wilson, *Montgomery, Scott & Co.;* Pierpont V. Davis, *Harriman Ripley & Co. Incorporated;* David Van Alstyne, Jr., *Van Alstyne, Noel & Co.*

John L. Kelsey, *Eastman Dillon, Union Securities & Co.;* Laurence C. Keating, *Eastman Dillon, Union Securities & Co.;* A. Peter Knoop, *Auchincloss, Parker & Redpath;* Elliott Bliss, *Hallo & Stieglitz;* Richard N. Rand, *Rand & Co.*

ment within the total electric living concept.

"This goal dictates these tactical objectives:

"(1) Create customer preference for electrical use that is directly competitive with other fuels. This means selling the benefits of electricity and, with honesty and good taste, calling attention to the advantages of electricity as compared with its competitors.

"(2) For maximum effect, concentrate this effort on **only** the most critically competitive subjects which now are: Range; Water Heater; Dryer; Heating and cooling, and Medallion Home.

"(3) Blend HOUSEPOWER and Lighting into the advertising wherever possible.[1]

"(4) Provide for national coordination of the preference-building job with the local selling effort of member utilities.

"(5) Multiply the effect of the program at all levels by encouraging cooperative effort by other electrical industry members."

With this set of objectives committed to paper, the next step was to organize what is known in advertising as a Copy Platform. This consists of the **basic selling themes** that go into the ads themselves—**words, phrases** and **ideas** that must be present in all ads. I am not an advertising man myself, but I am told that there are three essential ingredients in all effective, result-producing ads. First it is necessary to isolate an **exclusive** consumer benefit for your product—something that sets your product apart from all others. Second, there must be simplicity, an expression of this exclusive consumer benefit in simple, understandable, memorable words. Third, there must be a repetition of this exclusive consumer benefit in everything we do.

Flameless Electricity

The gas industry, with a $6 million investment in its national program, has singled out its exclusive competitive advantage—the flame. Every AGA ad, in print or on television, hammers away relentlessly at the speed, modernity, quality and economy represented by the flame. Therefore, in an attempt to understand our competition, and find our own exclusive advantage, we went to the heart of the AGA program and discovered that our advantage was the exact opposite of theirs. Electricity is **flameless**.

Researchers went into the field again. They asked consumers this simple question: "When you see this phrase, 'flameless electric cooking,' what comes to your mind?" Over and over and over again, the same answer was given: flameless electric cooking means safety, cleanliness and modernity. Without our saying safer, cleaner or more modern, the consumer automatically volunteered these comparatives. The word **flameless** brings to mind a wonderful picture of electric living—positive, truthful and strongly competitive. Therefore, the following Copy Platform was written and adopted:

"(1) Be sharply competitive with other fuels. Do this by exploiting the exclusive consumer benefits which stem from the fact that

ELECTRICITY IS FLAMELESS

"(2) Persuade the woman in our audience that she will increase her stature as a smart **home manager**—in the eyes of her husband—by using electric appliances.

"(3) Project a picture of **all** members of the family living better electrically. What we are selling is for the benefit of the entire family.

"(4) Give prominent and consistent display value to the theme line . . . YOU LIVE BETTER ELECTRICALLY."

So far I have been talking about our research. It has told us that the industry members and the appliance dealers want competitive advertising, that the consumer wants competitive facts on which to base her choice between electricity and gas; it has given us the basis for our Statement of Policy, and it has dictated the Copy Platform. Now let's look at the ads—the product of all this spadework and the basic advertising program for the rest of 1960 and all of 1961.

Here is a water heater ad. This is a family enjoying the benefits of electric water heating—not a housewife taking it easy. The caption on the picture reads: "Flameless electric water heating is so safe." The copy does not say electric water heating is safer, for we know that without saying it that comparative comes automatically to the reader's mind. The headline asserts, in complete truth and honesty. "Only Electricity Provides Flameless Water Heating." Note the clean, uncluttered, simple personality of this ad—a forceful but tasteful communication from our industry to the American family.

Then there is the new clothes dryer ad. The same strong use of the word **flameless**. There is also the implication of benefit for the family instead of simply ease for the housewife—the rationalization she needs to initiate the buying process. There will be other ads in the same format for the electric range. The dryer, water heater and range ads will run in "Life," "Saturday Evening Post" and "Better Homes & Gardens."

When we turn to electric house heating, our ads take a sharply different direction. Electric house heating is comparatively new. Perhaps we are now in the stage of development where the best thing we can do is tell the public that there is such a thing as electric house heating, as the ad does, describe the principal competitive advantages, and assure people that this new form of heating is practical. Ads of this kind will run in the same magazines as our appliance ads, plus the "Reader's Digest."

We have a new format for the total electric Gold Medallion Home ads. I call your attention to three things in particular. These are testimonials from families actually living in Medallion Homes, the people who have the experience to testify that total electric living is comparatively better. The centerpiece of the ad is electric house heating, since heating is the heart of total electric living. And the headline testifies to a specific benefit: "To us the most wonderful thing about flameless electric house heating is that it is so clean." Finally, in the individual pictures, the ad talks about the competitive appliances, HOUSEPOWER and Light for Living. Spreads like this will run in "Life," "Saturday Evening Post" and "Better Homes & Gardens."

Just a few words about media. In 1961, we will run 15 ads in "Life" magazine, making LBE the 17th largest advertiser in that magazine among 1,350 advertisers. There will be 15 ads in the "Post," ranking LBE 17th. There will be an ad in every issue of "Better Homes & Gardens." and LBE will be the second largest advertiser in the magazine. Five single page ads will run in "Reader's Digest," all on the subject of house heating.

Close with Four Ideas

May I close now with four ideas addressed specifically to the presidents and other officers of the electric utility industry:

(1) It is evident from all of our research that our advertising must be competitive. There is no point to our investment if our advertising is not competitive enough to win business from other types of fuel. We must states the case for electricity **as a service to the public** so the public can make a wise choice. We will not realize the industry's magnificent opportunities by accident, or inertia, or by letting things take "their natural course." We will succeed, as any other American business does, only by having the courage and imagination to compete.

(2) We hope that you will ask your people to tie in your local promotions with the national program—using the word "flameless" and the slogan "You Live Better Electrically" and portraying the family benefits of electric living. This national program will not do your local job. All sales are made locally. But keep in mind that by repeating locally the selling messages that are used nationally, your local investment will be substantially more effective. Our leadership program needs direct and active leadership in the industry's own companies.

(3) Perhaps it will be agreed that each company should help finance the Live Better Electrically Program from a separate budget, rather than borrow funds from the local promotional budgets and thus reduce ability to capitalize locally on the opportunities set up by the national program. The LBE program is an additional promotional effort, not a substitute for the local job.

(4) My last point is this. The Live Better Electrically program was conceived and is being operated for the benefit of the entire electrical industry—not just the utilities, not just some utilities, but for all electric utilities, all manufacturers of electrical equipment and all our trade allies. It is imperative that all segments of our industry recognize that, as the industry prospers, so does each part of it. When we consider the objectives of the Live Better Electrically program, there is no such thing as a straight electric company or a combination company—we are all electric companies. In this concept, it seems right, desirable and good sense for all companies to contribute and have a voice in this family affair. We ask the full cooperation of all utilities, all manufacturers and all our allies—so we may all rightfully share in the benefits.

*An address by Mr. MacDonald before the 28th Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 6, 1960.

[1] The 1960 program includes HOUSEPOWER and Lighting ads.

Paul-Mark Formed

THIENSVILLE, Wis.—Paul-Mark, Inc., has been formed with offices at 43 Parkview Drive to engage in a securities business specializing in listed issues. Officers are Paul A. Frederick, president, Mrs. Gloria M. Frederick, vice president; and Mrs. Sharon M. Splaine, secretary and treasurer. Mr. Frederick was formerly with Loewi & Co. Incorporated.

Also a member of the new organization is Mark J. Splaine, previously with Loewi & Co.

A. S. Berry Opens

TULSA, Okla.—Aaron S. Berry is engaging in a securities business from offices in the Midco Building.

Form Astrel Securities

STATEN ISLAND, N. Y.—Astrel Securities Corp. has been formed with offices at 25 Central Avenue to engage in a securities business. Officers are Aaron Kessler, President and Treasurer, and Joseph L. Scozzare, Vice-President and Secretary.

Cavalier & Otto Formed on Coast

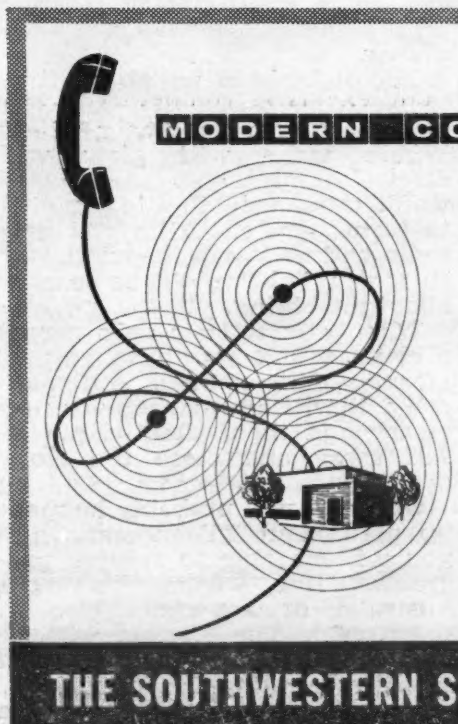
SAN FRANCISCO, Calif.—Cavalier & Otto has been formed with offices at 235 Montgomery Street to engage in a securities business. Partners are Alfred P. Otto, Jr. and William St. Cyr Cavalier. Mr. Otto was formerly with Schwabacher & Co. Mr. Cavalier was a limited partner in Dean Witter & Co.

Central N. Y. Investment

UTICA, N. Y.—Salvatore J. Buttiglieri is engaging in a securities business from offices at 854 Jay Street under the firm name of Central New York Investment Co.

Stanford Corp. Branch

PITTSBURGH, Pa. — Stanford Corporation has opened a branch office in the Investment Building under the management of Edwin Palmer.



A growing line of
MODERN COMMUNICATIONS
in the Southwest . . .

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WRITE TO: D. H. White,
Manager Business Development Dept.,
Dept. A5 Utah Power & Light Co.,
Salt Lake City 10, Utah

A Growing Company in a Growing West

Exciting Possibilities in Electric Industry Research

By Philip A. Fleger*, *Chairman of the Board and President Duquesne Light Company*

Approximately $250 million annually is being spent on a broad program of research between the electric utility companies and electrical manufacturers to improve the production, delivery and multifold benefits of electricity. Besides projecting this figure, Mr. Fleger also provides a comprehensive insight into possibilities of direct energy conversion, heat storage and the—more glamorous—increased utilization of electric power in everyday living which research may provide. The utility head refers to areas that could benefit from still intensified research and discusses ways of better organizing research including the expansion of research program within the E. E. I.

Research takes many forms. It can be glamorous and exciting. It can also be dull and plodding. Researchers must be constantly ready to explore the alleys and bypaths, the dark and winding lanes that often lead nowhere but that may, suddenly, turn a corner into a bright new world. It is along these little-travelled paths that the occasional revolutionary discovery may be found. But most of today's research is of an evolutionary nature. It is carried out along the main avenues, the broad highways that past research has opened for travel. Research teams move forward along these roads. The discoveries they make often do not seem startling in themselves, but taken together, they form the bulk of progress.

Philip A. Fleger

Birth of an Industry

Matthew Josephson, in his recent prize-winning biography, calls Edison's Menlo Park laboratory "the world's first industrial research laboratory." As you all know, it was there that the incandescent lamp was developed and the electric industry was born.

Edison specifically set out to develop an electric system that could compete with the gas industry. Before he opened his first central station, in 1882, he sent men from door to door asking potential customers whether they would change from gas to electric lighting if the cost were the same. He found they would and that he could compete with gas lighting by selling electricity at about 25 cents a kilowatt-hour. This was the price he set.

Today, the average revenue per kilowatt-hour from residential electricity is just about 1/10th the price Edison charged. This fact should serve in itself as the chief illustration of the dramatic progress the electric industry has made during the past 80 years. And research has made it possible.

Research in the electric utility industry differs from that in most other industries. Because there is basically no direct competition between our companies, the results of both our evolutionary and revolutionary research can be disseminated quickly throughout our industry. The electric utility companies learned, early in their history, that the public interest and their interests were best served when the companies exchanged information freely. Today, through the committees of the Edison Electric Institute, as well as through other trade organizations, our companies are able to learn what each other is doing and can thus build on each other's experience.

Team Work in Research

Through the whole fabric of electric industry research the key pattern is "team work." There not only is team work among the men and women in the laboratories, there is team work among our companies. There is also team work among our companies and our many allies: the electrical manufacturers, the independent research groups, and the universities.

Take, for example, the development of higher and higher temperatures and pressures in thermal electric plants. What has taken place is this: the manufacturers have provided laboratory facilities for research in this area. The electric utilities, in turn, have provided facilities for field testing, made suggestions for modifications of equipment in order to meet actual operating conditions, and contributed new ideas for meeting the changing requirements caused by constant growth in the use of electricity. In some phases of the work, university research organizations have been called on for assistance. The result of this cooperative effort has been the development of increasingly efficient steam plants.

Another example of team work can be found in the field of nuclear power. Since the passage of the Atomic Energy Act of 1954, 132 electric utility companies have joined with the Atomic Energy Commission, various service organizations, and manufacturers to take part in 26 projects aimed at developing nuclear power that will be competitive with power produced from conventional fuels. The majority of these projects consists of the construction and operation of actual nuclear power plants. Nine of them, however, are in the area of research, development and study.

Still another sort of team work can be seen in a research project carried on at Johns Hopkins University under a grant from EEI. This effort resulted in the successful development of an electrical device for use in treating interruptions of normal heart rhythm during surgical operations. The device, by the way, has been christened the 'closed-chest defibrillator." It seems to me that a little research might be done on finding a somewhat less frightening name.

Of course, much of the research being carried on by the electric companies is conducted solely by the companies themselves. In fact, a recent survey by the Edison Electric Institute disclosed that 968 projects were either in progress or had just been completed by EEI and its member companies. I am sure that many of these projects would seem of little interest to the general public. "Infrared pyrometer studies of overhead line splices," for instance, are not likely to become headline news anywhere. Still, projects like this make up the bulk of electric industry research and provide the basis for continuing evolutionary progress in the industry.

Electric Industry Research Expenditures

One measure of the scope and magnitude of the electric industry's research effort is in terms of the dollars being spent. Of course, it is difficult to calculate the cost of research accurately on an industry-wide basis, for companies often allocate their expenditures in different ways. However, a recent EEI survey of 120 electric utility companies does give an indication of the amount of money our industry devotes to this activity. According to the survey, these companies spent more than $6½ million on research in 1959. This year, 1960, they estimate they will be spending in excess of $8 million.

These totals include both engineering and non-engineering research, but they do not include research in nuclear power. For several years, our industry has concentrated a vast amount of effort in this promising area. Last year electric utility companies spent more than $100 million on various phases of nuclear power research, including the construction of nuclear power plants. In 1960 they will be spending another $132,000,000.

It is clear from these figures that the electric utility companies of this country are devoting a substantial amount of money to continued progress in the production and delivery of electricity. To these direct expenditures, however, we must add the amount electrical manufacturers spend on research for the electric utility companies. The cost of this research, naturally, is included in the price of the equipment we buy from the manufacturers. It has been estimated at between $100 million and $125 million annually.

In other words, total electric industry research expenditures, including expenditures in the nuclear power field, are currently running in the neighborhood of one-quarter of a billion dollars annually.

True Dimensions of Electric Industry Research

But the true dimensions of our industry's research cannot be fully reflected in dollars and cents. What will grow out of the research being done today is difficult to predict accurately. The broad outlines may be in sight, but not the details. And certainly not the price tags.

Our efforts to generate electricity from the atom are well known. Not so well known is the fact that we are exploring fusion—the principle of the hydrogen bomb — as a means of generating electricity.

Much attention is being devoted by the electric industry to the area of direct energy conversion. Ahead, there is a vision of raw energy, including nuclear energy, transmuted directly into electricity. Our most modern power plants are able to transform about 40% of the energy locked in a lump of coal into electricity. This represents tremendous progress since Edison's day when only 2½% of the energy in coal was being used. But through direct conversion, the percentage may be greatly increased. At the same time, it may be possible to do away with most of the bulky and expensive turbine-generator equipment we use today. Many paths are being explored in the attempt to reach this goal, including magnetohydrodynamics, thermoelectric, thermionic, and fuel cell. Any one of them could result in dramatic developments in the electric power business.

Another important area under study is that of heat storage. Here is a subject of great significance for both the generation and utilization of electricity. For instance, it would be a great advantage in electric house heating if we could supply energy for heating to our customers at times when the demand for electricity for other uses is relatively low. This can be done if some way is developed to store the heat over a period of time. Considerable research has been done toward reaching this goal.

Today, electric companies are experimenting with the use of radar to warn of approaching ice- and thunder-storms. They are studying the effectiveness of "cloud seeding" as a means of increasing the water available in the area of hydroelectric stations. They are studying the behavior of lightning. They are learning how to slow down the growth of trees, without impairing their health or appearance, in order to lessen the cost of the pruning needed to keep trees from growing into power lines. They are even studying the habits of woodpeckers, in order to control the damage these birds do to wood poles.

Equally exciting developments are being explored in the way we will be utilizing electric power. People sometimes say we are living in the "push-button" era. Before too long the push button may be a thing of the past, as outmoded as the crank on a Model T. In many cases, the electric appliances we use will seem to be thinking for themselves.

Let me describe what electric living in the future may be like.

If it is raining, or if the housewife is busy, she will call the shopping center over a two-way TV-telephone. Merchandise will appear on the screen, in color, of course.

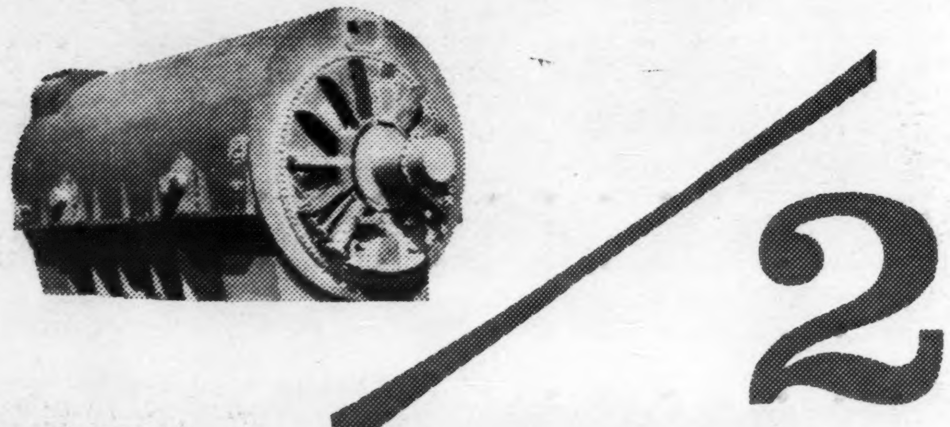
In the kitchen, food will be prepared, cooked, and served at the direction of an electronic computer programmed days ahead of time. There will be an appliance that takes the food from the freezer to the range, then cooks it and serves it. The refrigerator will be electronic, with no moving parts. The dishwasher will only be used on special occasions, when the best china is brought out. For everyday use, a small electric machine will manufacture disposable dishes.

The light bulb will be a thing of the past. Instead, people will be using area sources of light. Whole walls will glow with electroluminescence. And you won't even need to flip a switch to turn them on. All you'll need to do will be to say the word "on." But you'll have to be careful about mumbling.

When dirt collects on a carpet, a closet will open and a vacuum cleaner will emerge. Automatically, it will clean wherever necessary and then, silently, put itself away and close the closet door.

One wall will probably be made up of a giant TV screen. On it you will be able to receive programs, "live," from Europe, Australia or anywhere else in the world. The signals will be bounced to your living room off satellites circling the earth.

The air in the house will be comfortable all year round. You will simply set a control at a desired temperature and humidity



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This 218-ton piece of equipment is only half the new capacity story for PP&L in the coming year. Together with an identical twin, it completes the 300,000-kilowatt, cross-compound turbine generator scheduled for in-service at the Company's new Brunner Island steam-electric station in 1961. This new plant is the second "outdoor" plant facility by PP&L—a concept pioneered by the Company in northeastern latitudes.

The Company believes that sound pioneering is necessary to PROGRESS—and that PROGRESS is necessary to success in effectively meeting customers' needs, attracting and retaining competent people and maintaining investor confidence.

PENNSYLVANIA POWER & LIGHT COMPANY

and they will be kept at the selected levels, automatically.

The driveways and paths around the house will be heated, too. Snow shovels will be oddities. Interior decorators may even begin using them as ornaments.

The garage doors will open automatically and electric automobiles will glide out onto electronically controlled highways that will make steering unnecessary. The driver will be able to read, or sleep, watch television, or just listen to the record player in the back seat.

I know it sounds fantastic. Yet, what will be the most amazing developments in electric living probably are not among the things I have mentioned. They will be the things we cannot even imagine today, things which only tomorrow's researchers will be able to dream of, develop, and eventually bring into reality.

Organizing for Future Research in the Electric Utility Industry

How soon these developments will be brought into reality is largely dependent on the nature of the electric industry's research program. So the question arises: Is our research program adequate?

Now, there is no denying that our research activities are exceedingly broad in scope. On the other hand, there are a number of problems that probably warrant more attention than we are giving them.

The vast potentiality of direct energy conversion pobably justifies some intensification of our efforts in this field. Other methods of generation, such as wind power, sunlight conversion, and radiation conversion should not be overlooked. Further studies have also been suggested on the economical use of diesel-driven and gas turbine-driven generators for peaking power, stand-by power, and in combination with steam plants.

The forecasting of future loads is a matter of the utmost importance to every electric utility company. A lot more work needs to be done on the defining of the factors involved and formulating a method of combining these factors by electric computer operation.

As load concentration and generating plant sizes increase, voltages used for transmission will also increase, unless appreciably different distribution or generating facilities become possible.

In the field of utilization, increased research is being aimed at further study of the applications of the heat pump, at developing a satisfactory electric incinerator, developing more electric garden tools, and at a basic study of the possibilities of obtaining a low-weight, high-capacity storage battery of moderate cost. Such a battery would make the electric automobile practical and might also have valuable applications in storing energy to level off peak loads, either for a customer or for the company's system as a whole.

These are just a few examples of the areas in which electric industy research is going on, but which might benefit from intensified effort. Some of these areas clearly are of no direct concern to the electrical manufacturers, or to anyone but an electric utility company. Characteristically, problems of system application or operation fall into this category. These are the problems which the electric utility companies must attack.

This raises another question: How should the electric utility companies approach these problems? Should the research be carried out by one company, by a group of companies, or through a centrally directed program supported by all companies?

The subject is of the utmost importance to the future of the electric industry. Certainly each problem should be considered separately. Some probably are best suited to individual action, some to joint action by small groups of companies, some to action by the industry as a whole. But the general shape and direction of our industry's research activities deserves our serious attention and, in fact, are being carefully studied by the Edison Electric Institute at the present time.

As the EEI research program is now conducted, suggested research projects are gathered by the Research Projects Committee from the engineering committees and other committees of the Institute. Assisting the Research Projects Committee in evaluating the proposals is a Liaison Group composed of representatives from each of the five engineering committees and from the Sales and Accounting Divisions. No project is submitted for approval by the Institute's Board until it has been studied by the appropriate committees as to its feasibility and value, and until a specific program, with estimated cost, has been prepared for it.

This method of operation assures that research undertaken by EEI will be devoted to projects which are of general interest to the member companies and which offer reasonable expectation of practical, beneficial results.

However, in recent years, the amount of research undertaken by the Institute has increased substantially. In addition, a survey of prospective research projects by the Research Projects Committee clearly indicates that this trend will not only continue but actually will accelerate if the necessary funds are available. But research conducted by the Institute is financed out of the Institute's general funds, and it has now reached proportions which will require additional funds, if the volume of work is to increase. Consequently, if the scope of the Institute's research program in the future is to be determined on the basis of the merits of projects which are proposed by the various committees, rather than by arbitrary financial limitations, some new method of financing the Institute's research program must be developed.

Proposed Financing Plan

Therefore, the Institute's Board last December decided to investigate the possibilities of financing an expanded Institute research program on the basis of voluntary, sliding-scale contributions along the lines of the Live Better Electrically program. It now appears that the Board will be in a position to take action on proposals for such a program in September.

While provision will have to be made for some new method of financing Institute research, there appears to be every reason to continue the present controls exercised in deciding what projects should be undertaken. On the other hand, in view of the increasing importance of research and the rate at which this activity is expanding, considerations is being given to establishing a new division—the Research Division—within the EEI organization. This new division would have the same stature as the Engineering and Operating, the Sales, the Accounting, the Customer, Employee and Investor Relations, and the General Divisions of EEI. It would be built around the present Research Projects Committee, which has been doing such a commendable job for our industry. Complete control over the program would lie with the Research Division and the EEI Board of Directors.

A Research Division within the EEI framework is a natural outgrowth of the industry's present research activities. Its formation would give research projects their proper standing among industry activities. At the same time, it would strengthen the framework which, at some point in the future, might be called upon to bear the added weight of an enlarged research effort. Such an organization would not replace or conflict with the research activities of individual electric companies or with the activities undertaken by small groups of companies. It would, however, provide a regular, accessible medium for the exchange of information between companies concerning their research activities. It would also make it possible for many of the smaller companies which are not able to do research work of their own to participate in this important work. Nor would such an organization impede the competition between the electrical manufacturers in the research field. This competition has proved too valuable to be disrupted in any way.

Certainly a substantial, forward-looking research program carefully directed in the manner I have described and properly publicized would do much to enhance the status of our industry in the eyes of our customers, investors, and the public in general.

Research has played a great part in the progress of the electric industry. By increasing our research effort and by organizing ourselves to carry out this research even more effectively, our industry can continue to spread the benefits of electric service in a constantly multiplying variety of ways. The results will be at least two-fold: our industry will be strengthened and the public will be better served.

*An address by Mr. Fleger before the 28th Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 7, 1960.

A Plea on Behalf Of Invited Guests

The Author of the following letter to us requested that his identity not be disclosed publicly. —Editor.

"June, the month of roses, brides, graduates and a nod to Dear Old Dad on the 19, also brings forth the various meetings of groups and associations in the securities industry throughout the country.

"And the assorted gatherings, whether labeled field days, picnics or what have you, raise a question which has bothered me over the years. For there is a growing tendency, and a growing write-up in assessing the out-of-towners for the privilege of being guests a number of times what the at-homers ante up.

"Keep in mind, these out-of-towners are invited, cajoled and, sometimes, pressured to attend the functions. They are presumed to be business friends of the at-homers and the bouts and/or routs are supposed to provide more enduring and endearing contacts.

"Then, why the extra or multiplied fees when raffles, pools and dice normally extract the cash under voluntary conditions. Besides, there are the opportunities, (two way of course) for moving some dusty inventory or lining up joint accounts, etc.

"Granted that practically all groups tap their treasuries to some extent for such events. Are the out-of-towners the patsies to carry most of the deficits? And where is the element of friendship, or the host-guest relationship in such a practice?

"This is not a plea for groups to extend invitations "for free." That would be practically impossible for many. Rather, it is an advocacy of the true "Dutch Treat" technique. All itinerant members are lodge brothers and should be treated the same as the local brethren when it comes to fees, drinks or golf handicaps.

"When we arrange alleged hospitality whing-dings in the future, let's not forget the Supreme Court and have no segregation."

David Passell Opens

(Special to The Financial Chronicle)

CLEARWATER, Fla. — David H. Passell is engaging in a securities business from offices at 10 South Fort Harrison Street.

Form Security Service

SALT LAKE CITY, Utah — Security Service, Inc., has been formed with offices at 3318 South State tStreet to engage in a securities business. Ralph E. Ellingson is a principal of the firm.

Robert Harris Branch

SOUTH ORANGE, N. J.—Robert M. Harris & Co., Inc. has opened a branch office at 12 South Orange Avenue under the direction of Edward F. Dieterle.

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Supplying Electric Power Is a Free Enterprise Job

By Allen S. King, Retiring President, Edison Electric Institute and President, Northern States Power Company*

Electric utility spokesman traces the phenomenal growth of industry wherein he counters the arguments that the job is too big for industry with a cogent reply showing the opposite to be the case. Concerned with the industry's split personality in the eyes of the public and the paradoxical situation that the aggravating challenges stem from the excellent job it has done and is doing, Mr. King calls upon the industry to tell the facts about itself and our economic system to "Main Street" in "Main Street" terms. He lists eight areas that an educational program should include, compares our electric power performance with U.S.S.R.'s, and submits data on what our future performance will be and the capital spending it will entail.

This past year has been a most rewarding one for me. I am sincerely grateful to the Board of Directors of the Edison Electric Institute for extending to me the valuable opportunity of serving our great industry as President of the Institute. The activity of this position has at times been very taxing in terms of time and energy, but it has permitted me to become much better acquainted with the leaders of our industry in all parts of the country. This is more than adequate compensation for the time and energy expended.

Allen S. King

I have always had a real love for the electric utility business, which has absorbed all of my working life. I have always had a great deal of confidence in this industry, and have continually viewed its potential with enthusiastic optimism. Now—after having spent a year traveling around the country and visiting with electric company people at meetings of various kinds, I have gained an even greater feeling of confidence for the future of our business than I had before.

The leaders of our various companies are men of ability, imagination and dedication to an amazing degree, and this would seem to assure our future. Our companies are good citizens in their operating areas and are continually promoting the areas in which they serve. This our communities recognize. The officers and employees of all of our companies are active in community life and are, in many instances, the leading citizens in their various cities and towns. In short—we are citizens wherever we serve, and have created good corporate images in our own operating areas.

These facts should give all of us real confidence in our industry's future, and in our ability to meet whatever challenges we may encounter.

A year ago at the New Orleans Convention, I stated that it would be my purpose this year as I traveled around the country, to emphasize the need of the "Main Street" approach to our industry problems. Basically, the job of serving electricity to people is quite a personal and local activity. Even in our larger companies there is a neighborhood aspect to all of our business dealings. We are truly operating right down on "Main Street" — and it is only when we forget this point that we seem to get into serious difficulties.

It is at the neighborhood level that our companies have their greatest challenges. A consolidation of this neighborhood approach by all of our companies would go a long way toward favorable solutions to certain of our national problems.

Our strength is in our great record of expanding service to the homes, farms, and industries of our country — the unprecedented job we have done in bringing electric service and its benefits to all Americans. We have achieved world leadership in power supply through the operation of our industry as part of our free enterprise system. By maintaining our industry as an active part of American free enterprise we will move forward to new records of achievement in the future.

Paradoxical Source of Challenge

Paradoxically, it can be said that some of our most aggravating challenges stem from the very excellent job we have done, and are doing, in expanding the use of electricity. Through our sales efforts and through a continual reduction in the cost of our product, we have developed the use of electricity in this country to the point where most people consider it a necessity of life. There is a tendency on the part of many people to take electricity for granted, and to consider it almost as much their right as the air which they breathe. This creates for us the very serious problem of maintaining the understanding and interest of our customers in the many and varied problems connected with maintaining reliable power supply.

In the process of increasing the use of electricity most of our companies have been growing bigger and it becomes increasingly difficult to impress upon our customers our identity as investor-owned companies which are actually an integral part of the American free enterprise system. This problem of maintaining the identity of our organizations as investor-owned companies is a continual one. Related to it is the problem of making sure that people know that our companies are not "Wall Street" owned and controlled, but are owned by thousands upon thousands of individual Americans. These many owners are our neighbors—farmers, workmen, professional men, housewives, and others throughout the country.

In this process of rapid growth we seemed to have developed a split personality in the eyes of many people. That is, customers may view their own local electric company with approval — yet somehow they do not transfer many aspects of this image to the industry as a whole. Instead, they seem to view the whole industry in a different light despite the fact that the industry, as a whole, consists entirely of independent investor-owned companies like the one they feel serves them so well. We will have made a great advance in our industry's public relations if we could find a method of bringing to the industry image the features of individual approval that our own companies have, and at the same time building up and transferring to the companies some of the aspects of the industry image which would be of value at the local level. In other words, there should be a unified and harmonious image for both the companies and the industry. The factors involved in this complex problem are under study now.

The determination with which we tackle these problems in our own back yard will be of great significance to the future of the industry and every company in it.

Whatever our activities may be —on "Main Street" and in our national associations—we must give emphasis in telling our story to what we are doing for people now, and what we will be doing to meet individual community and national needs in the future. History is being made so rapidly today that most people do not have time to look back very far, nor do they have the inclination. More and more we are becoming a civilization attuned to the future —perhaps, at times, anxiously— but nevertheless, absorbing as much as we can of today's developments and tomorrow's possibilities. Our electric utility industry has a great history filled with romance — filled with accomplishments of men of great initiative—but we cannot expect to be too much interested in what our electric industry has done in the past. They want to know what we are doing now, and what we will do to meet their needs for the future.

General Concern About the Future

The truth of this has been borne out by several recent events. The widespread newspaper and general interest in the report on Russia power industry developments, and the comparisons which have been made between the developments in Russia and in this country, seem to indicate that the eyes of all of our people are focused on our plans for the future. We have also witnessed the considerable interest of our Congressional leaders in the publication by EEI of the forecasts of electric power in this country for 1970 and 1980. In short, it would appear that our people are looking ahead and are directly concerned with how our industry is preparing to meet the future demands for power.

The results of intensive studies by EEI Committees enable us to give some very realistic predictions of what the power business will be like in 1970 and 1980. All of our companies have contributed to these studies, and because of the nature of our business we are probably better prepared to predict the future in our communities than anyone else. We have to be, if electric power is to meet the future needs, and to be on hand when it is required. So we feel that these predictions have substance, and in all probability will be borne out.

Here are some of the highlights of what we see ahead: By 1970 total power producing capability of the electric companies is expected to reach 263,000,000 kilowatts — more than twice today's total. The total electric energy output will be in a new series of numbers—the trillions — reaching a total of 1.2 trillion kilowatt-hours — approximately twice today's total.

By 1980 electric company power producing capability is expected to reach more than 492,000,000 kilowatts which is nearly four times today's total, and nearly twice the prediction for 1970. The total electric company energy output is expected to reach nearly 2.3 trillion kilowatt-hours—again four times today's total.

Our electric companies had at the end of last year 43 billion dollars invested in electric plant and equipment, which is more than double what it was ten years ago. It is expected that new construction will require $51.9 billion to be spent by 1970, and an additional $91.4 billion by 1980.

Predicts Hike in Capital Spending

Altogether from the beginning of 1960 through 1980 about $143.3 billion will be required to provide the additional plant and equipment that is predicted. In 1980 our new construction expenditures are expected to be at an annual rate of about $12 billion compared to about $3½ billion in 1960. Our country's gross national product, disposable personal incomes, and personal savings are expected to increase with the result that funds will be available for investment in the utility companies to meet these tremendous future demands for money.

These forecasts indicate the basic faith of the electric companies in the vigor and potential of the United States. Our companies believe, for example, that the over-all economy will continue to grow at least at the rate it has during the period since World War II. The population trend, the formation of new households, and the continual adoption of new electricity-using methods are all among the guideposts taken into account in making these forecasts.

The very magnitude of the numbers involved in our business —the billions of dollars—the millions of kilowatts, and soon the trillions of kilowatt-hours — are admittedly immensely difficult to comprehend. The growth we foresee may seem to some to be fantastic — yet we know that the dimensions of our industry today would have seemed equally breathtaking if they were forecasted only 20 years ago, at which time our investment in electric plant was about $12 billion—less than one-third of today's total.

These numbers, however, are so astronomical that despite their significance they are really not adequate answers by themselves to that question of our neighbors, "What does this all mean to me—how do I benefit?" Let us for a moment leave this stratosphere of figures and see what these predictions mean to Mr. Joe Doaks.

Reduces Figures to Per Capita

One of the best indications of a nation's economic strength, and the well-being and standard of living of its people, is the per capita use of electricity. In 1959 the total power output of the United States amounted to 4,525 kilowatt-hours for every man, woman and child in the nation. In 1970 the per capita output is expected to reach 7,555 kilowatt-hours, and in 1980 the per capita forecast is about 11,800 kilowatt-hours for each person.

What do these figures mean in terms of human energy? Based on accepted energy equivalents, the electricity we use today is estimated to equal the energy of more than 67 men working for every single one of us—67 men working for each man, woman and child in the country—at home, on the

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CLIMATE . . . . Sunny; Mild

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LIABILITIES

NONE!

FLORIDA POWER & LIGHT COMPANY

Miami, Florida

Helping Build Florida

job, and in the manufacture of the things we buy. By 1970 each of us will have at his service the equivalent energy of more than 112 men, and ten years later, 176 men.

The best way of all is for each of us to take stock of ourselves and to think of the various ways in which electricity serves us. Without a check list this becomes a difficult process as we have found in our own company's experience. If the average person is asked to guess how many appliances using electricity that he has in his home, his guess is usually about one-quarter of the actual number that is in use. We have developed quite an effective advertising stunt on this subject in our company. We provide our customers with check lists on which they first guess the total number of the appliances they have, and then turn over the page and check off from a full list of appliances the number that is in use. We find this game to be quite interesting to our people. For the future we expect there will be changes that are even more surprising than those that have occurred in the past.

Of all forms of communication, word-of-mouth is still the most effective. Even with all the claims on people's attention being made through TV, radio, newspapers and magazines, the most lasting impression results when someone you like and respect tells you something. Here is an opportunity for all of our employees—and certainly our wives—to enter into this "Main Street" job of telling our story to people.

What Private Electric Power Has Done

The story of what the electric industry is doing, and is going to do, is a dramatic and exciting example of the effectiveness of a free economic system. As we tell this story we must make the fact very clear that the abundant supply of electricity available in America is a direct result of the free economic system in this country. Although there are areas in this country in which power is being distributed on some basis other than free enterprise, the history of our industry from its inception has been a history of men investing their funds and their talents in the growth of our electric supply.

From the time that Thomas Edison invented the incandescent lamp and set up the first central station system on Pearl Street in New York, numerous power supply systems based on Edison's work were established—all in the free enterprising tradition. A succession of imaginative men with great initiative has developed through the years in this country a growing system of generation and distribution that has built for America its outstanding industrial might. Today the United States produces more electricity than the next seven nations in the world combined.

Russia presents a good example of what can be accomplished under a centrally-controlled economy. In Russia under the Czar, and later under the Communists, the government maintains strict control of the lives of the people and what they may use and do. America, under its free economic system, has made possible the growth of an electric industry that in 1959 produced more than three times as much electricity as the Soviet Union. On a per capita basis, the difference is even more striking. About four times as much electricity is available to each person in this country as there is to each person in Russia.

In some aspects, life in Russia seems to be changing. Russia, in a good many ways, is borrowing ideas and practices from our own free enterprise system. In certain government stores it is now possible to buy goods on credit. There is now a list of 21 kinds of goods that can be purchased on the instalment plan, including, for example, two kinds of radios, fur articles, accordions, and even wooden canoes.

Compares U.S.A. to U.S.S.R. in Electric Usage

We read promises of future increases of consumer goods in Russia, but the actual changes in that direction seem to have been rather small. As an example of how the Russian society is oriented, in 1958 only about 16% of the power produced in the USSR went for residential and rural use, compared with 29.8% in our country. As a matter of fact, the Russians are conducting a nationwide campaign to keep the use of electric power by people to a minimum. Letters and articles suggesting new ways to save electricity appear regularly in the Russian press. One of these articles in a recent issue of *Pravda* suggests that street lights be turned off late at night to save electricity.

This is quite contrary to the situation in this country. We do not ask people to save electricity—we try to multiply the variety of ways people benefit from electric service. We try to sell electricity in competition with other forms of energy. All of our companies have instituted aggressive sales programs. We have even united on a national scale in the Live Better Electrically program, to establish a core program of national advertising to increase the sale of electricity. We conduct broad research and development programs aimed at finding new uses for electricity, and also finding more economic methods of providing electric service.

The free enterprise system of our country allows for flexibility of organization that produces the most economic results in electric power production. Our electric companies operate on a local basis, as they should, and yet they function in regional and national organizations at the same time. The companies administer those things locally which are best suited to local attention and decision. At the same time, they can join with other companies on regional and national levels to act in a number of ways. For example, in united research projects—for the interconnection of systems, for long-range developments and planning—for the exchange of information and experience—for advertising, and, in general, sales promotion programs—and in other ways.

Calls for More Economic Education

The truth of the effectiveness of this system is shown clearly by the fact that over the years, as the cost of living has been rising, the price of electricity has been going down. Although the cost of living has more than doubled in the past 25 years, the average price of residential electricity has decreased by more than half during the same time.

If we are to insure the continuation of the free enterprise climate that has made possible the rapid growth of the American electric industry, electric companies throughout the country must redouble their efforts in this area of economic education. Freedom can be, and has been, lost through neglect. A free economic system can be replaced by a totalitarian system if the people do not want it and do not work to keep it.

People will not work to keep freedom if they do not understand it. Without a knowledge of economic facts people can be fooled into thinking that a totalitarian system might be better than our American free enterprise system. In a free country such as ours, the people control our destiny. Our people would not seek a change in our system to a totalitarian or socialistic system—but small change added to small change soon develops certain fundamental changes. It is most unfortunate that so many people, in calling upon our government for changes, base their requests upon an erroneous idea of what our present free enterprise system has done for them. It is up to us, each one of our companies, to have a part in presenting proper facts to the people.

America, with only 6% of the world's population, has, through its economic system, developed over the years so that it now produces more than half of the world's wealth. This small 6% of the world's population enjoys a standard of material living that has been the desire and dream of men throughout the ages. Along with this, an integral part of our American way of life has been the development of standards of freedom that have been the aspiration of men from the beginning of time. The electric industry has been an important factor in the development of our American productive system, and is a very important factor in the way every American lives. The growth and use of electric power has contributed to, and has been stimulated by, the growth of the American economy. The future of the electric industry and of the nation as a whole depends on a continuation of the American free economic system, and in maintaining the electric utility business as an integral part of that free enterprise system.

Job Is Too Big for Government

There are some people who say that the job of supplying electricity to the country in the future is too big for industry, so that the government must do it. I say to you that the job is so big that free enterprising industry must continue to do it, not government.

Where the scope of an activity is logically and properly in the public domain, the project is almost invariably in some sort of financial distress. For example, we find that there is continual financial stress in the areas of public roads, schools, water supply and sanitation, and people are attempting to find new sources of money for these purposes.

In areas of our country where so-called public power is dominant, we find that there is an urgency to borrow from our free enterprise method of financing to meet the needs of the people. TVA is now preparing to finance its growth through revenue bonds because it had difficulty in getting its money from the Congress. If TVA really wants to become a free enterprise electric system, it should finance its whole power business in the free market at the going rates for money, and it should pay taxes in the same way that the electric companies do.

We find the power system in Nebraska financed by revenue bonds, and in the Pacific Northwest the revenue bond technique has been used by the public power districts. The only difference in these cases from our free enterprise method is the lack of any equity capital, and the tax-free or nearly tax-free status of the operation.

Government Power Is Expensive But Priced Cheap

Government power is expensive power when all factors of cost are taken into account. It is expensive—but it is priced cheap, and the taxpayer makes up the difference.

The government might better use its taxing resources for those purposes which are undeniably in the public domain, and let free enterprise continue to develop the power generation and distribution systems of the country.

The future of the American electric industry and the future of all the "Main Streets" and rural routes of this country are inextricably united. Here again is a place where all electric companies should remember the "Main Street" aspect of our business. Our companies solve engineering and accounting and other problems on the local level, and as we attempt to meet our share of developing a program of economic education for the people, we should do so with a "Main Street" approach.

All of the facts about our economic system—the facts about our industry—and the facts about our companies, must be told along "Main Street," and they must be told in "Main Street" terms. It is important that we identify ourselves as "Companies," and it is important that we tell the story of the ownership of our utility companies. If we can bring people to understand that the real owners of our electric utility companies are thousands of small investors all across the country, we will have taken the long step toward maintaining our industry as an integral part of our free economy. It is my hope that our companies will continue this educational process, using the "Main Street" approach which is our strongest asset.

Outlines "Main Street" Campaign

Let us review some of the most important areas to which our companies should be giving attention in this educational program:

(1) We must tell people what we are doing and what we plan to do.

(2) We should use the neighborhood aspects of our business and solve our problems largely on Main Street.

(3) We should attempt to eliminate the split personality we have acquired — and try to translate

Continued on page 36

YOUR OPPORTUNITY...

For a limited time there are some rare Chronicle bound sets available. If you are interested—do not delay. Write your needs telling the years you are missing. Prices will be gladly quoted. Be prepared with complete sets to better serve your clients. It pays!

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THE *Electric* AUTOMOBILE

The Car Designed with Load Building in Mind

Bayard L. England, Board Chairman of Atlantic City Electric Company, is shown with one of the new electric automobiles purchased by his company.

It is predicted that the new electric car will be the greatest new LOAD BUILDER the electric industry has seen in many years.

Continued from page 35

favorable company images into an industry image.

(4) We should identify our companies as free enterprising business organizations.

(5) We should tell people how we were founded in the free enterprise tradition—are still business enterprises—and should remain so.

(6) We should point to our hundreds of thousands of owners—that we are not Wall Street controlled—and that certain past history is out of date.

(7) We should take our part in the present activity to inform people about our American economic system—and what it means to them as individuals.

(8) As companies—we should all be engaging actively in telling this story to people—our neighbors.

As we tell this story it is well to remember that people react strongly to "What's in it for me." Our American way of life has produced innumerable benefits for the individual Tom, Dick and Harry working on "Main Street." If we are to maintain this system that has brought our country to world leadership, it is essential that each Tom, Dick and Harry—and their wives and families—understand "what's in it for them," in our American way of life.

This free way of life will continue as long as we are able to maintain our free economic system—limit the role of government in the lives of our individual people — and maintain the electric utility industry as part of American free enterprise. Only in doing the necessary educational work will we be able to continue "leading the world in electric power—the American way."

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*An address by Mr. King before the 28th Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 6, 1960.

Joins Westheimer & Co.

CHICAGO, Ill. — Thomas Pavone has joined the staff of Westheimer & Co., 134 South La Salle St.

With Westheimer & Co.

WHEELING, W. Va. — Joseph W. Czinki has been added to the staff of Westheimer & Co., 1210 Market Street.

Lee Higginson Branch

ST. PETERSBURG, Fla.—Lee Higginson Corporation has opened a branch office in the Hall Building under the management of Walter A. Fullerton, Jr.

Schwabacher Branch

BOISE, Idaho — Schwabacher & Co. has opened a branch office in the First Security Bank Building under the management of Joe A. Uberuaga.

Universal Secs. Office

MOBILE, Ala.—Universal Securities Corporation has opened a branch office in the First National Bank Building Annex under the direction of Earnest F. Rentz.

Now First Mutual

BROOKLYN, N. Y. — The firm name of Mutual Planning Co., 1324 East 99th Street, has been changed to First Mutual Planning Corp.

Gordon C. McCormick Inc.

LOS ANGELES, Calif.—The firm name of Investors Investments Corporation, 1535 Wilshire Boulevard has been changed to Gordon C. McCormick Inc.

Ladet Opens Branch

TUSCON, Ariz. — Ladet & Company, Inc. has opened a branch office at 2030 East Broadway under the management of Mrs. Nettie Sue Hamilton.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Your Customer Expects You to Be Experienced If Not Always 100% Right!

Where there are people who deal with one another, there will always be those who will take every advantage legally and otherwise of others who are too trusting, careless, or just plain dumb. Every business has this problem. In the investment business we n ow have regulatory government agencies and self-policing bodies such as the NASD. Despite all of the rules and regulations that surround the purchase and sale of stocks and bonds, there is admittedly a need for personal awareness of the pitfalls that still prevail. The public is often unaware of many of the "booby traps" that can befall them despite the abundance of rules and regulations. The security salesman with whom they deal is the focal point upon which they must rely for guidance.

Securities are often "made to sell." Many deals that are developed in periods of highly active speculation in the market would otherwise be unmarketable in less active times, and under more sensible and stable market conditions. Not all underwriters are too careful or too considerate of their obligations to the investing public. Nor are all promoters concerned about the ultimate outcome of some of their ventures. Despite the record of many excellent underwriting organization who have gone along for years with a minimum of "misses" and a greater percentage of excellent pieces of financing to their credit, it still behooves the security salesman who is desirous of maintaining the good-will and buying power of his customers to "look before he advises."

Here Are a Few Guide Posts

Watch out for the company that has never come to market before for pubic funds, especially if the management is receiving the major portion of the funds that are generated through the public offering. In many cases, these companies are strong, well managed and aggressively forward looking. Not infrequently, however, there are what may be termed "Bail Outs," especially when the management is old, tired, or filled with nepotism and contentment. Public stockholders are something new. And some managements that have become static don't take too well to their responsibility of becoming a public corporation. In a word: Be sure of management's capacity and progressiveness in every company you place money.

There are also companies in the right industry but they come to market at the wrong time. A few months ago Florida land deals were eagerly bought by the speculating public—they are not attractive today. Several years ago uranium stocks were eagerly bought and the new issues went well. There were some good ones, too. They are no longer in favor. Don't buy into new issues after the industry they represent has cooled off in the public mind. Some new issues may be sound, well priced, but still will "miss the boat" because the timing is off.

Watch out for young companies, where the insiders have sold themselves a large share of the company at a very low "get in" price and where the company history is meagre or not too good. A three-dollar stock may not be such a bargain six months from now even if you buy it today when the issue is oversubscribed, because of a good job of overselling on the part of the promoters. Many of these "free rides" are over soon and when they are over—they are through!

And as for other "booby traps" outside of the underwriting field, it is good policy to remember that quite often "write-ups" on stocks may be prepared and given wide circulation because someone has a position and would like to have some help in getting rid of it. Secondaries come to market because of a variety of reasons. Sometimes these secondaries represent a buying opportunity, but in many instances they are also a method of "getting out" when someone who has too much of a certain stock WANTS OUT. And he doesn't always readily reveal the reason he's a seller—you may find this out several days, weeks, or months later. BUYER BEWARE.

The best salesmanship is based upon performance. When a salesman's record with his customers is good, he doesn't have to know very much more about security salesmanship. The word will get around. TAKE CARE OF YOUR CUSTOMERS AND THEY WILL TAKE CARE OF YOU. You can always find attractive securities to sell—if you are careful and don't believe everything you see, read, and hear.

N. Y. Cotton Exch. Elects Officers

Tinney C. Figgatt of New York City was elected President of the New York Cotton Exchange at the Annual Election. Elected Vice-President is J. Antonio Zalduondo of Orvis Brothers & Co., John M. Williams of Royce & Co. was reelected Treasurer. Those elected to the Board of Managers are: Harry B. Anderson of Merrill Lynch, Pierce, Fenner & Smith Incorporated; Alfred Boedtker of Volkart Brothers Company; Joseph J. Gollatz of New York City; Joseph Grogan of Hirsch & Co.; Joseph Klein of Joseph Klein & Company; Frank Knell of New York City; William K. Love, Jr. of Anderson, Clayton & Co.; Fred W. Perutz of Schwabacher & Co.; A. C. Purkiss of Walston & Co., Inc.; Malcolm J. Rogers of New York City; J. Raymond Stuart of E. F. Hutton & Co.; Robert K. Vincent of The Kendall Company; Alden H. Vose, Jr. of Kohlmeyer & Co.; G. Clarke Watson of New York City and Albert M. Weis of Irving Weis & Co.

With the exception of Messrs. Grogan, Klein and Knell, all of the others were members of the retiring Board who were reelected.

The new officials of the Exchange took office June 9, for a one-year term.

With Fusz-Schmelzle

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Max H. Carter has become associated with Fusz-Schmelzle & Co., Inc., 522 Olive Street, members of the New York and Midwest Stock Exchanges. For many years Mr. Carter was with A. G. Edwards & Sons.

Named Director

Andre Meyer has been elected to the Board of Directors of Newmont Mining Corporation. Mr. Meyer is senior partner of Lazard Freres & Company, New York investment banking firm.

Electric Utilities to Spend $52 Billion in This Decade

Leading utility management consultant presents data showing electric companies' capital spending should reach $51.9 billion in the 1960-1970 decade and $91.4 billion total in the longer period of 1960-1980. The former figure for plant expansion is shown to be 20% more than that accumulated in plant accounts in 77 years of t. industry's existence.

The tremendous magnitude of the electric industry's construction program ahead was depicted by H. H. Scaff, Vice-President of Ebasco Services, Inc., during the closing meeting of the 28th Annual Convention of the Edison Electric Institute held recently at Atlantic City, New Jersey. Mr. Scaff's remarks were part of a panel discussion on "Financing the Sixties' Expansion Program."

H. H. Scaff

Before making his projections on capital spending and planned capacity, the Ebasco official pointed out that the figures for the companies cover only their electric operations. Also, that the future money requirements are in terms of 1959 dollars.

A summary of Mr. Scaff's predictions follows:

For the 11-year period 1960 through 1970, the number of kilowatts of capability the electric companies expect to install is 128.8 million kilowatts. This means that during the next 11 years the electric companies will install more kilowatts of capability than they had in service at the end of 1959.

The figure for the 10-year period 1971 through 1980 is 227.4 million kilowatts of capability!

To say that this will be a remarkable achievement seems quite inadequate.

The total for the 21 years is 356.2 million kilowatts, which is nearly three times the total capability at the end of 1959!

Now what about the cost of the electric utility plant account at Dec. 31, 1959 and the estimated cost of constructing the power plants, transmission lines, distribution systems and other operating facilities which the companies will have to build in the next 21 years if they are to be successful in meeting the forecasted power requirements for the period?

Describes Planned Construction Spending

Again, we find a most remarkable picture. The companies will spend $51.9 billion, which is 20% more for plant expansion, during the next 11 years than the companies accumulated in their plant accounts in the 77 years of the industry's existence.

The figure for the 10 years 1971-1980 is $91.4 billion, and the grand total for the 21 years is $143.3 billion.

To give some idea of the magnitude of the figures that we are dealing with, the largest amount of new capital ever raised by the investor-owned electric utilities in an 11-year period in the past was $19.4 billion. That occurred during 1949-1959, which was a period involving marked inflation and when capacity was required to restore needed reserves.

I must point out that this total is for electric property only. If the other businesses that some electric companies conduct were included, the grand total would be well over $150 billion.

Where will the money come from that will be required to provide the power needs for the future? The $51.9 billion required for the period 1960-1970 will be provided as follows:

	Billions
Retained earnings	$ 4.34
Depreciation accruals	16.63
New capital	30.93
	$51.90

The retained earnings and depreciation accruals are computed figures based on past experience and the new capital figure represents the difference.

These figures are based on 1959 dollars. Hence, should inflation continue, the amount of new money required would be that much greater.

Regarding the basis on which the probable sources of new capital was determined, it was assumed that the capital structure of the companies in 1970 would be approximately the same. The present breakdown is: 25.6% common stock, 11.2% preferred stock, 54.7% long term debt, and 8.5% surplus.

If no sbstantial variations occur in the capital structure, the new capital will have to be obtained from the following sources:

	Billions
Long-term debt	$19.20
Preferred stock	3.56
Common stock	8.17
	$30.93

A. M. Binder With Holton, Henderson

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Aaron M. Binder has become associated with Holton, Henderson & Co., 210 West Seventh Street, members of the Pacific Coast Stock Exchange. Mr. Binder was formerly President of Binder & Co., Inc. and prior thereto was with Alkow & Co., Inc. and Toboco & Co.

H. F. Schneider Opens

NORFOLK, Va. — H. Frederic Schneider is engaging in a securities business from offices at 1405 Trouville Avenue, Meadowbrook.

Joseph Tanno Opens

MT. VERNON, N. Y.—Joseph P. Tanno has opened offices at 45 West Grand Street, to engage in a securities business.

With Blyth Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif—Harold J. Caldwell has joined the staff of Blyth & Co., Inc., Russ Building. For many years he was with First California Company.

Bache Opens Dept.

TORONTO, Ont., Canada—Bache & Co., members of the New York Stock Exchange, the Toronto Stock Exchange, and other leading securities exchanges, has announced the opening of a Mutual Funds Department in its Toronto, Canada, office, 360 Bay Street, under the management of R. H. Cardine.

With Hill, Darlington

SEATTLE, Wash.—James Rogers is now associated as a registered representative with Hill, Darlington & Co., 1118 Fourth Avenue.

Now L. D. Babcock Co.

The firm name of Petronio & Co., 120 Broadway, New York City, members of the American Stock Exchange, has been changed to L. D. Babcock & Co.

Halsey, Stuart Heads Con. Ed. Bond Offering

Halsey, Stuart & Co., Inc. is manager of an underwriting syndicate which offered on June 15 an issue of $50,000,000 Consolidated Edison's first and refunding mortgage bonds, 4¾% series R, due June 1, 1990, at 100.799%, and accrued interest, to yield 4.70%. The group won award of the bonds at competitive sale on June 14 on a bid of 100.1599%.

Net proceeds from the sale of the bonds will become a part of the treasury funds of the company and will be applied toward the retirement of short-term bank loans, estimated at $55,000,000 at the date of sale of the bonds.

The 1990 bonds will be redeemable at optional redemption prices ranging from 105.80% to par, plus accrued interest. However, prior to June 1, 1965, no bonds will be redeemable from proceeds through any refunding operation incurred at an interest cost of less than the interest rate carried by these bonds. The 1990 bonds will also be redeemable at special redemption prices receding from 100.799% to par, plus accrued interest.

Consolidated Edison Company of New York, Inc. is engaged in the manufacture, generation, purchase and sale of gas and electricity and the manufacture and sale of steam. It supplies electricity in the Boroughs of Manhattan, The Bronx, Brooklyn, Richmond and parts of Queens, all in the City of New York, and in Westchester County excepting the northeastern portions of that county; gas service in the Boroughs of Manhattan and The Bronx, in parts of Queens, and in the more populous parts of Westchester County; and steam service in a part of Manhattan. It controls, through ownership of all the voting stock, Consolidated Telegraph & Electrical Subway Co. which owns a system of underground conduits used principally by the company.

For the year 1959, the company had total operating revenues of $614,908,000 and net income of $68,764,000.

Digest of Convention Locations Available To Executives

The tenth annual edition of the *Digest of Convention Locations*, published by Robert F. Warner, Inc., hotel sales consultants for independently owned and operated hotels, is now available to executives in charge of selecting meeting sites for corporations and associations.

It contains in concise form information on the meeting facilities of 65 resort and city hotels in the United States, Mexico, Canada and Bermuda.

The booklet also points up the fact that it costs executives nothing to use Warner's Convention services to secure a reliable, up-to-date survey of possible meeting sites, fitting their requirements, both in areas and at the time of year in which they are interested.

The use of Warner's services also saves time in that Warner offices are open when the resorts themselves are often closed for the season, and information is not readily available except through their representatives, Robert F. Warner, Inc.

Free copies of the booklet may be obtained from Robert F. Warner, Inc., 17 East 45th Street, New York 17, New York.

AS WE SEE IT *Continued from page 1*

is not even more New Dealish than the Vice-President whom he criticizes or the President to whom he occasionally pays his doubtful respects. It is also true that at some vital points his position is far from clear—at least as unclear as he says is that of the Vice-President. What an opportunity he missed in not suggesting removal of at least some of the monopoly immunities of labor organizations as a remedy for such situations as the steel impasse last year or for any number of inflationary "settlements" that have been made since that date—to say nothing of those that preceded it!

If Mr. Nixon was instrumental in bringing a belated end to the steel strike on terms which must be regarded as not in the public interest. This sin in so doing was far less grave than in refusing or neglecting to suggest or insist upon a change in the basic situation which made the impasse possible. The thought that compulsory government arbitration is the proper way to prevent such situations as these from arising or from doing wide harm is a lame and impotent conclusion. It would obviously invite rather than prevent "settlements" in accord with political expediency. The really disheartening thing about all this is that nowhere among influential politicians or their parties is there even a suggestion that the basic situation out of which such costly controversies rise and inflict punishment upon us all should be corrected. In this area it appears to us that both political parties and all candidates, avowed or not, are about equally culpable.

When the Governor ventures extended and more or less detailed proposals in the field of national defense, he steps in where most angels fear to tread. The way the suggestion of an additional $3 billion rolls off his tongue is clearly reminiscent of a number of successful politicans before him. His position in this matter is much nearer that of some of the Democratic aspirants than that of his party or his President who should certainly be better informed and better able to judge our needs than the Albany executive. He would run counter to what appears to be the trend of the times in armaments in general. He is, of course, wholly within his rights in holding such views and expressing them—as are some of his presumable political opponents. He may be right. Certainly we should not feel competent to pass judgment on so technical and so complex a question on the basis of the limited knowledge in our possession. It is to be noted, however, that he takes an extremely aggressive position on the matter — and that pursuit of such a policy at this time would play into the hands of the Soviet propagandists.

What Does He Mean?

The suggestion that there should be a "redefinition of our farm program to make low-income farmers more productive members of the economy" is not enlightening. Again, what an opportunity the Governor missed in not speaking the plain unvarnished truth about our farm programs of the past quarter of a century or more, and coming forward with a plain statement that if we are to keep our economic health in full a radical change is in order! The Eisenhower Administration has at times had some sensible things — within limits — to say about our agricultural problems and policies. The fact is, though, that acts speak louder than words in this as in other areas, and our farm problem is still with us in unmitigated form, and appears certain to remain with us whether the Vice-President or the Governor of the State of New York—or some Democrat—enters the White House next January.

It would appear that the Governor is trying to steal some of the thunder of some of the Democrats when he insists that it is essential that we raise our growth rate to 5 or 6% a year. He also falls into the error all too common in apparently harboring a most vague and strange notion of growth, how it is measured and what it means. It is difficult to escape the impression that he has here simply picked up a popular slogan and made it a part of his armament. He must know that it makes a great deal of difference what it is that we produce or are prepared to produce. We should not be a whit more able to cope with aggressive communism by reason of a greater output of toothpaste, cold cream, lager beer, or even for that matter of wheat.

If we must be prepared to meet the worst that the Communists can do to us, then a good many other things such as steel, certain types of machinery, many of the nonferrous metals, and a good many sorts of equipment must be in adequate supply and our ability to produce them quite adequate. But it is quite conceivable—indeed it has already occurred — that substantial growth, particularly if measured in terms of Gross National Product, could occur with relatively minor enlargements of these fields which are of vital importance in the circumstances.

And "Growth" Again

And how would the Governor stimulate "growth"—to say nothing of how he would measure it. If he has in mind programs other than tax revision and the elimination of featherbedding—both of course much to be desired—he does not make himself clear. And how would he make certain that growth took place chiefly in those areas where growth is really essential for competing with communism? He seems also to confuse better education with greater Federal spending as so many do. All in all, he seems to be essentially a victim of much of the New Deal philosophy—in even greater degree than the present Administration.

With Du Pasquier, Seskis

Eugene D. Brody and Leonard Lehman are now associated as registered representatives with Du Pasquier, Seskis & Co., Inc., 61 Broadway, New York City, members of the New York Stock Exchange.

Forms Lifter Securities

(Special to THE FINANCIAL CHRONICLE)

MIAMI BEACH, Fla.—Lifter Securities Inc. has been formed with offices at 407 Lincoln Road to engage in a securities business. Officers are Bennett M. Lifter, President; Daniel Lifter, Vice-President, and Stephen R. Rubin, Secretary-Treasurer.

Phoenix Secs. Opens

MONTCLAIR, N. J. — Charles E. Cohn and Henry S. Giannetti, Sr., are engaging in a securities business under the firm name of Phoenix Securities from offices at 94 Valley Road.

Form Inv. Co.

CHARLOTTE, N. C. — Investors Stock Brokerage Co. of North Carolina has been formed with offices at 916 East Moorehead Street to engage in a securities business. Officers are William M. Harris, President and Treasurer, and Alice Faulkenberry, Vice-President and Secretary.

CENTRAL ELECTRIC & GAS COMPANY
and Subsidiaries

SUMMARY OF CONSOLIDATED EARNINGS

	Twelve Months Ended March 31 1960	1959
Operating Revenues:		
Telephone	$27,581,513	$24,473,777
Gas	20,207,913	17,650,421
Electric	1,029,475	948,655
Total	$48,818,901	$43,082,853
Operating Expenses and Taxes*	41,274,836	36,741,893
Net Operating Income	$ 7,544,065	$ 6,340,960
Other Income	164,211	134,149
Net Earnings	$ 7,708,276	$ 6,475,109
Interest and Other Income Deductions	2,181,185	1,901,716
Net Income before Minority Shareholders Interest in Income of Subsidiaries	$ 5,527,091	$ 4,573,393
Minority Shareholders Interest in Income of Subsidiaries	2,343,698	1,923,413
Net Income for Central Electric & Gas Company	$ 3,183,393	$ 2,649,930
Preferred Stock Dividends	293,365	259,720
Balance for Common Stock of Central Electric & Gas Company	$ 2,890,028	$ 2,390,260
Earnings per Common Share on—		
Average number of shares outstanding	$1.94	$1.68
Number of shares outstanding at end of period	$1.89	$1.64

CENTRAL ELECTRIC & GAS COMPANY

SUMMARY OF CORPORATE EARNINGS

	1960	1959
Operating Revenues:		
Gas	$20,207,913	$17,660,421
Electric	1,029,475	948,655
Total	$21,237,388	$18 609,076
Operating Expenses and Taxes*	19,231,075	16,830,932
Net Operating Income	$ 2,006,313	$ 1,778,144
Other Income (including dividends from subsidiaries)	1,033,474	927,214
Net Earnings	$ 3,039,787	$ 2,705,358
Interest and Other Income Deductions	629,314	573,518
Net Income	$ 2,410,473	$ 2,131,840
Preferred Stock Dividends	293,365	259,720
Balance for Common Stock	$ 2,117,108	$ 1,872,120
Earnings per Common Share on—		
Average number of shares outstanding	$1.42	$1.32
Number of shares outstanding at end of period	$1.39	$1.28
Number of Shares of Common Stock of Central Electric & Gas Company outstanding at—		
March 31, 1960	1,525,956	
March 31, 1959		1,459,579

*Includes cost of gas purchased of $11,936,866 and $10,307,615 in the respective periods (corporate and consolidated.)

Private Utilities Ready and Able to Meet Future Needs

Continued from page 1

then proceed to build to meet it. They must plan far ahead so that the public can be assured of always having available an abundant supply of electric power. The investor-owned companies have been highly successful in doing this for the record shows that no power shortages of consequence have occurred in the areas they serve, even under the stress of war. For a number years the industry has studied its capacity situation and provided the public with factual information through its Electric Power Survey reports.

To date we have met our responsibilities in full. We confidently expect to do so in the years ahead. Each company is well informed as to where it is, and where it is going. Every utility keeps up-to-date forecasts of the power needs of its area, and has formulated plans to meet its future power requirements.

To assemble this information and thinking on an industry basis, the Edison Electric Institute has been reviewing past history, surveying forecasts made by economists of national standing, and preparing estimates of its own as to what is ahead for the entire industry and for the investor-owned electric utility companies in particular. Definite figures have been prepared for 1970 and 1980, with some general estimates even as far ahead as the year 2000 for certain phases of the study.

Let us look at some of these forecasts as a guide to what is ahead for the electric industry, and the public it serves. But first let us establish the solid basis on which these forecasts rest.

In the year 1959, a total of 795 billion kilowatt-hours of electricity was generated in the United States. This total is the one furnished to the United Nations for use in international comparisons.

Of this great amount, 85 billion kilowatt-hours or a little more than one-tenth, were produced by industries for their own use. The remaining 710 billion kilowatt-hours were produced by utilities for resale to ultimate consumers.

The utility industry is in two parts — the investor-owned utilities on the one hand, and government bodies in the power business along with rural electric cooperatives on the other. Of the utility total, the investor-owned companies generated 544 billion kilowatt-hours (76.6%) and the government bodies and electric cooperatives produced the remaining 166 billion (23.4%).

The two sections of the utility industry are interrelated, in that power and energy is bought and sold between them. Slightly different percentages prevail with other measures of size; a convenient over-all figure is about three-quarters for investor-owned companies, and about one-quarter for government bodies and co-ops.

CHART I

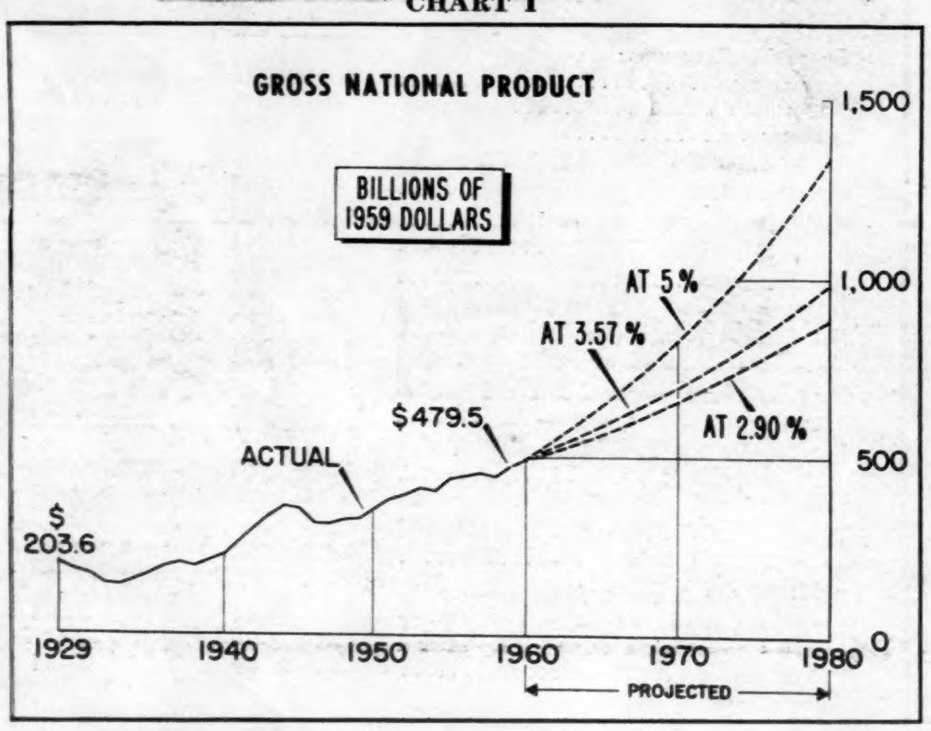
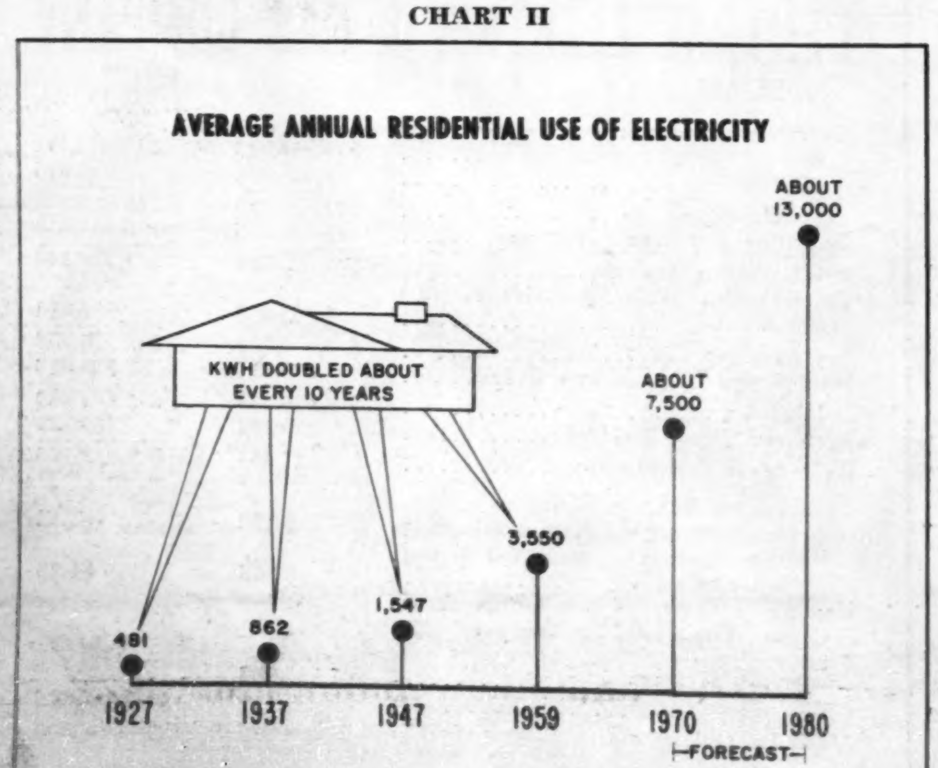


CHART II



Economic Growth and Population Rise

The use of electric power on a national basis is influenced by the development and requirements of business and industry, by the growth in population and the rise in the level of living standards. These are the underlying causes which affect the need for electricity — causes which are closely related to the expansion of the nation's economy.

The Census Bureau has recently prepared new forecasts of the probable population of this country. The Census figures are based on maximum and minimum fertility. The Edison Electric Institute has taken figures in between—namely, 208 million people in 1970 and 245 million in 1980. For the year 2000, the Institute advances 340 million people as a likely figure for that year.

Chart I shows gross national product from 1929 to 1959. The bottom projection to 1970 and 1980 is at 2.9%, which is the average rate of increase from 1929 to 1959. Some people talk about a rate of growth as high as 5%. The 3.57% increase, which is the one used in the Edison Electric Institute study, represents what is probably a more realistic appraisal as it is the average rate of increase for 1946 through 1958—the postwar period.

Gross national product, as you know, represents the market value of all the goods and services produced in the United States. For more accurate comparative purposes it is put in terms of constant dollars—in this case 1959 is used.

An analysis of the historical trends in kilowatt-hour sales, shows the existence of close relationships between sales in the various customer classifications and certain components of gross national product.

For example, residential sales are related to disposable income—that is, the income people have left after tax payments to government. Commercial kilowatt-hours tie in with personal consumption expenditures as represented by the market value of goods and services purchased by individuals. Industrial electric sales follow closely the industrial activity throughout the country which is measured by the Federal Reserve Board index of industrial production. Thus, we believe these forecasts for the industry rest on a solid foundation.

The task of extending electric lines to the American public is virtually complete. Future gains in power sold to home and farm will largely come from an expanding population and from increased use.

Importance of House Sales in 1980

The average residential use of electricity for the United States is shown in Chart II. Some utilities have already passed the nation-wide average-use forecast for 1970. And many individual homes are now using more than the national average forecast for 1980—13,000 kilowatt-hours.

An average size, all-electric home will use over 20,000 kilowatt-hours a year. So even in 1980 there will still be a big market for the sale of electric power in the households of our country.

The household of tomorrow will be highly mechanized through electric power. Climate control will be commonplace with electric heating in winter and air-conditioning in summer. Even the family car may be driven by electricity. And there will be many other beneficial uses we cannot foresee today.

Increased productivity in shop and office has as one of its main components, the use of electricity. If our nation is going to reach the economic levels anticipated for it, with the relatively limited work force and working hours available for the purpose, marked increase in productivity of the individual worker will be essential. The end result will be the use of more and more electric power.

The use of power per employed worker is scheduled to rise from around 12,000 kilowatt-hours at the end of 1959 to 16,300 by 1970 and over 22,000 by 1980.

Chart III shows the anticipated per capita requirements for electricity, compared with the actual figures for 1959. I have added transmission and distribution losses to get a figure that ties in to the amount of energy that will be required to meet the needs of our nation. Per capita use is a good indicator of a nation's total productive capacity and the well-being of its people. Hence this is an encouraging picture.

The economists foresee for 1980 a value of our nation's goods and services of nearly one trillion dollars in terms of constant dollars —double today's figure. To reach this level will require a greatly expanded use of electricity—almost three kilowatt-hours per dollar of gross national product in 1980 as compared to only 1⅔ kilowatt-hours today.

Predicts Fabulous Electric Output

The electric industry will generate as much energy in the next ten years as it has produced during its entire history to date. And, in the decade of the '70s, the estimates show a production of over *three times* the energy that it has turned out from the day of Edison's invention of the incandescent lamp to the end of 1959.

One of the most important things our industry's study group did was to determine how much power plant capability was needed to produce this vast amount of energy and how it would be made up.

Chart IV shows the anticipated capability necessary to produce the amount of energy required to supply the needs of our people in 1970 and 1980. For comparison purposes, we have shown the situation as it existed at the end of 1959.

The chart shows the breakdown of capability between the investor-owned companies and the government bodies and cooperatives.

By 1980, 411 million of kilowatts of new capability must be built, of which 87% is the job of the investor-owned utilities.

The figures shown for the investor-owned utilities represent the long-range plans of the companies to meet the *needs of the areas they serve*. You will note that the forecasts show a substantial amount of capability to be installed by government and cooperatives.

No Need for Public Power Seen

There is no real need for government to install this capacity. I want to make this very plain. The investor-owned utilities stand ready and able to meet in full the future power needs of the country. The investor-owned companies are ready to enlarge their plans to supply all the necessary facilities, including the part of the program indicated for public power on the chart, and will do so if given the opportunity. This would result in enormous savings in tax dollars which will otherwise be spent needlessly.

We anticipate that the kilowatts of capability owned by the investor-owned companies in 1970 and 1980 will be made up as

CHART III

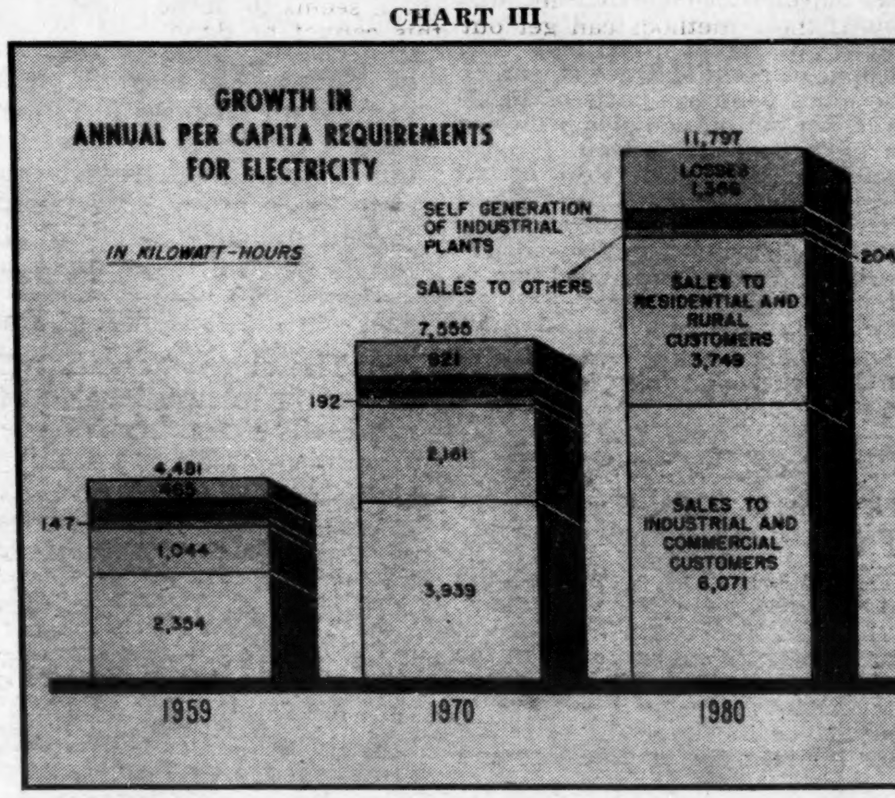
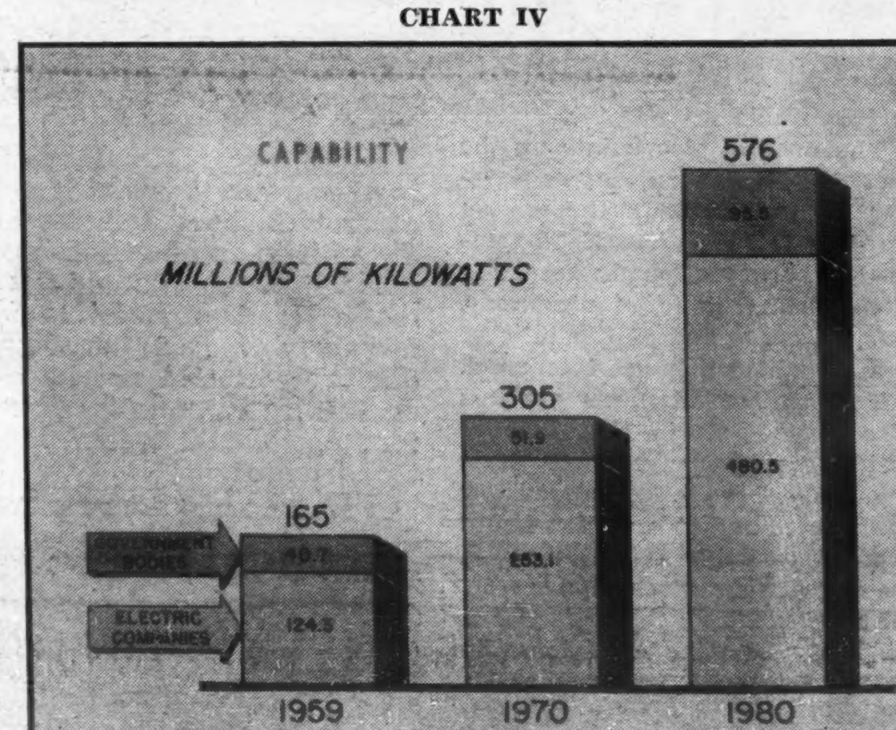


CHART IV



shown on Chart V. Again for background, comparable figures for 1959 are shown.

It seems evident that the main reliance for the power supply of the foreseeable future will be modern fuel-burning, large-scale generating stations. Of the over 356 million kilowatts of capability to be added by the investor-owned utilities up to 1980, 85% will be of conventional fuel-burning type.

Nuclear Power versus Direct Generation

Nuclear power is on everybody's mind. A monumental amount of work has been and is being done to develop it in a sound business-like way. But it must be appreciated that the present state of the nuclear power art is today about where the steam-electric turbine was in 1920. The industry estimates for 1980 an aggregate of close to 40 million of kilowatts of nuclear power based on what is presently known of the progress in nuclear technology. However, if research and development overcomes the competitive gap between nuclear and fossil fuel power at a faster pace than is now anticipated, the installed nuclear power capability could be substantially larger.

In another area, a great deal of research is being carried out in the direct generation of electric energy from fuel sources, thereby eliminating the steam-turbine generator as we know it.

As the years go by you will hear more about direct generating sources, such as—

- Solar
- Thermo-electric
- Magneto-hydrodynamics
- Thermionic
- Fuel-cell
- Fusion

It hardly seems possible that any of these methods can get out of the laboratory in the next ten years insofar as central station power is concerned. But while only a few short years ago we foresaw nuclear energy as the only fuel on the horizon to offer competition to fossil fuels, we now envision that nuclear fuel itself may have real competition 15 or 20 years hence. And furthermore, we are now assured that there will be ample fuel sources to power American industry and civil life for hundreds of years to come.

These advances in research of new methods of power generation emphasize that the development of nuclear power as well as these still newer sources must be appraised from the competitive viewpoint and in a considered, judicious and positive way.

Capital Requirements

Now, what will be the money requirements to carry out the program I have just outlined?

In the 11-year period 1960 through 1970, the construction expenditures on electric property of the investor-owned utility companies will total nearly $52 billion — constant dollars at the present level of value.

In the ten-year period, 1971 through 1980, the total will be over $91 billion.

And this adds up to a total for the 21-year period of $143 billion, which is 3½ times the total electric plant account of the companies at the end of 1959!

Here are some figures as to what the electric plant account will be. At the end of 1959, plant account stood at $43 billion; for 1960 the estimate is $45.8 billion; and $88 billion by 1970. By the end of 1980, the plant account should be nearly $163 billion — 16 times what the book value was in 1940, and nearly four times the estimated book value at the end of 1960.

Now, this is a very striking picture of the growth ahead of the investor-owned companies. It immediately raises the question of where the funds will come from to provide this vast addition to the industry's electric facilities. You will agree that $143.3 billion is a formidable figure.

With a continued sound economy, fair regulatory treatment of the utilities of the country and assuming a constant value of the dollar, the electric companies should be able to generate in the day-to-day operation of the business about $58 billion — around 40% of the total needed in the period 1960-1980. The rest will be new money—$85 billion—which will have to come from the sale of securities to the investing public. A staggering sum to be sure. But there seems to be no reason why this cannot be done with success and with proper maintenance of sound capitalization ratios and fair dividend treatment of the equity investor. Should inflation continue, however, a much larger amount of new money would be needed, as a smaller proportion would be generated by the business.

The study indicates that the investor-owned utilities are prepared to meet fully their responsibilities to the people of our country.

They are prepared to raise their own capital in the free money market, without recourse to the public treasury.

They have adequate plans to assure ample electric power in future years.

They will continue their pioneering so that the people of this country will receive in full measure the benefits of research and new discoveries in the utility field.

And unless inflation gets out of hand, they will be able to continue to hold the price line which, on the whole, they have been more than successful in doing as compared to general price levels.

You may find significant this illustration which shows the vast size of the tax bill, based on present tax rates, during the years to come—a total of nearly 102 billion dollars in the twenty-one year period shown! (Chart VI)

Of course these taxes are included as an element in the cost to serve the customer. We, and I think our customers, are willing to pay our fair share of taxes but we think all business, including government business enterprises, as a matter of equity should also bear their share. But thus far, government business undertakings have failed to do so.

There is another important subject that I want to discuss.

Power Pooling Is Not New to Us

Of late, we have been hearing a good bit about power pooling. Some of the people who have visited Russia have been ostensibly impressed by what the Soviet planners have in mind for the future along this line.

The utilities of the United States originated the pooling idea many years ago, and have developed it until nearly all sections of the country are enjoying the benefits resulting therefrom. This development is still going on.

Nearly all of the present operating utilities are the result of integrating, over a 60-year period, hundreds of small isolated systems, merging them and pooling their resources.

In addition to the integration that has resulted in the electric companies of today, various utilities have interconnected and pooled their generating facilities to obtain further economies.

May I refer to my own company's experience — Pennsylvania Power & Light Company—as a good example of what has taken place many times over the years in this field.

Step by step over 900 separate parts were consolidated to form the Pennsylvania Power & Light Company as it now exists.

More than 36 years ago, in 1924, representatives of Public Service Electric & Gas, Philadelphia Electric and Pennsylvania Power & Light met to investigate the feasibility and desirability of a high voltage transmission interconnection among the companies. As a result of this pioneering, a 220 thousand volt backbone loop was built. At the time, this was the highest voltage in use in this country.

Then step by step, the present regional power pool, consisting of 13 companies with a total generating capability of 13.5 million kilowatts, was developed. The strengthening and expanding process is going on today. As recently as May 1st of this year, Potomac Electric Power Company joined the pool. I can assure you that we do not intend to stop where we now are. We plan to continue to improve our pooling facilities and operations which have proved to be very beneficial to the customers of all the participants.

Compares Pooled Power and Taxes with TVA

Parenthetically, I would like to give you some interesting figures about the companies in this power pool. Their aggregate capability at the end of 1959 was 12 million kilowatts. Tennessee Valley Authority's capability as of the same date was 11.7 million kilowatts.

In the year 1958, the twelve[1] participants then in our power pool set aside a total of over 183 million dollars for taxes.

Of this tremendous sum nearly 113 million dollars represented Federal income taxes, and about 70 million dollars represented other taxes.

T.V.A. and its resale distributors paid no Federal income taxes. T.V.A. made a payment of nearly six million dollars in lieu of state and local taxes and its resale distributors made a similar payment of slightly over nine million dollars.

In other words, the taxes of the twelve power pool participants amounted to over twelve times the total payments made by the T.V.A. and its resale distributors in lieu of taxes.

Today there are many other similar power pools throughout this country. They range from formal organizations to informal exchanges of economy power, power purchase agreements or simple emergency service connections. Their histories resemble the one I have just outlined to you. They, too, continue to expand. For example, the major investor-owned utilities in New York State have just announced a plan to build a major tie between upstate New York and the metropolitan area.

Utah Power & Light Company and Arizona Public Service are preparing to interconnect their electric systems to take advantage of load diversity.

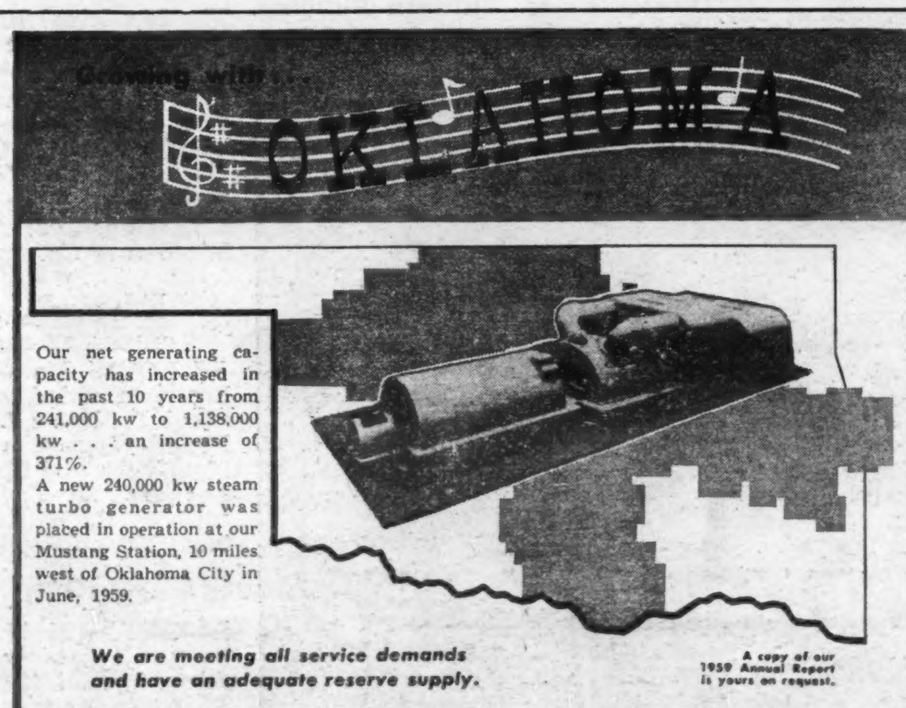
There are many other examples that I could cite.

All of these ties have one main objective, which is to furnish good service to the public at the lowest possible rates. They are so much a part of our daily operations in this country that we take them for granted.

Of particular interest as regards the mileage of the transmission

Continued on page 40

[1] Baltimore Gas & Electric Co.; Pennsylvania Electric Co.; Metropolitan Edison Co.; New Jersey Power & Light Co.; New Jersey Central Power & Light Co.; Hershey Electric Co.; Public Service Electric & Gas Co.; Philadelphia Electric Co.; Delaware Power & Light Co.; Atlantic City Electric Co. and Luzerne County Gas & Electric Corp.



Private Utilities Ready and Able to Meet Future Needs

Continued from page 39

lines of the United States of 22,000 volts and over, together with the lines of 60,000 volts and over is the great expansion that has taken place since 1950.

As the generating capacity grows to take care of the expanding load, the interconnection and pooling process is accelerating all over the United States.

Ensuing Savings

Although conditions are constantly changing, the basic benefits of interconnection and pooling remain much the same. Not all these benefits are possible in every situation. I have listed nine major benefits; there are other special benefits that can be realized in individual instances. Here is my list:

Savings in production expenses, where differentials exist in fuel cost, efficiency and operating expenses other than fuel. The general practice is to place the low-cost stations on base load, and to schedule the others in the order of their efficiency.

Lower transmission losses. Line voltages to be selected have a direct relation to the amount of power involved, the distances to load centers, and the value of the losses.

Reduction in the amount of reserve generating capacity. This advantage is especially important today because of the large-sized units being installed.

Taking advantage of load diversity, including differences in time zones. The growth in summer peak demands emphasizes the importance of this factor.

Greater leeway in planned maintenance. The ability to draw on spare capacity in the pool gives greater flexibility in the increasingly difficult task of scheduling maintenance.

Ability to install larger and more efficient generating units. This is of special advantage to smaller utilities that cannot by themselves justify installing generating units of optimum size.

Improved emergency service. A pool gives added insurance to the maintenance of service during catastrophies and accidents to major equipment.

Contribution to national defense. In the event of bombing or sabotage, a pool will greatly aid in maintaining service. It will also give greater flexibility to locating defense projects.

Making possible full use of the various low-load factor hydros now in existence and to be built in the future. Pumped storage projects, where conditions are favorable, offer advantages to the pooled systems of the future.

As I look at the future of the investor-owned utilities, these are some of the opportunities that we have before us.

As the loads grow and the capacity increases, further expansion of power pooling offers possibilities of addtional savings and improved operation. This growth will be on a regional basis, and will be governed as to extent and type by local conditions. The process will be aided by long range planning of transmission lines and interconnections. The most successful power pools of today exist in situations where this has been done in the past.

Savings in capital expenditures can be obtained through standardization of turbines and generators over the entire range of sizes used by the industry. The possibilities seem to be especially favorable in respect to large-sized units operating under high pressures and temperatures. The standardization process should be related not only to sizes, but also to pressures and temperatures.

The idea could well be extended to other items of equipment.

To carry out this idea, the industry should not expect the manufacturers alone to do the job. The companies must take the lead in this matter, but they must take great care that standardization does not develop into a "road-block" to future technological progress.

As the demand grows for additional power, great use will be made of the maximum size of units suitable for each situation. Greater opportunities will present themselves to locate on advantageous sites, in respect to load centers, fuel, water and the many other factors involved in power plant location.

Manufacturers tell us that they are willing and able to make a unit of a million kilowatts, and that there is no technical barrier to line voltages of one million volts or even higher.

Coordinating Uniform Manufacturing Production Rate

It is my belief that it would be advantageous to both the manufacturers and the utilities, if the two got together, and scheduled the new units to be installed in such a manner that the manufacturing facilities would have a uniform rate of production.

As we push ahead into the last half of this century we can look for a rapidly increasing economic momentum. Population will continue to grow. Business and industry promise substantial expansion. Research and scientific development offer assurance of even greater progress in the coming years than we have seen in the past.

But to realize fully what the future holds depends in great measure on what we do today. Wise long-range planning in the use of our resources is needed. It is toward this end that our industry is taking this look ahead. What we have projected is a realistic appraisal. The investor-owned utilities are well prepared to take care of the greatly augmented power needs of the future, standing on their own feet, and to do so without recourse to the public treasury.

I am confident that we merit the public's support necessary to carry out the program that I have outlined.

But we must tell our story. Our own customers do not know these facts and we must accept the responsibility to see to it that they are informed.

A recent opinion survey for the Electric Companies Public Information Program, based on a properly selected sample of electric company customers, shows that only 52% of our customers believe that our companies can be relied upon to provide *all* the power that is needed for our country's future. Some 29% believe that government help is required. And 19% do not know if they can rely on our companies or whether government help is necessary.

Overcoming Public's Lack of Knowledge

Here is the key fact: More than two-thirds of the 29% who said that government help is needed took this position because they feel the job to be done is "too big" or "too expensive" for our companies to handle. Here again we have proof that *the lack of widespread knowledge* of the facts about our industry's past record, our plans, our capabilities and our resources, is what is really hurting us. And it is hurting us much more than any ideological bias against our industry, yet is much easier to correct.

So let us tell the story of our industry's capability to meet tomorrow's power needs. And let us continue to bear in mind that though this story may come to be old and familiar to us, this is not the test. The criterion is widespread knowledge and information about the electric industry. We must keep at our information work and programs until the evidence at hand much more fully demonstrates that in this area we have done the job that is before us to do.

*From an address by Mr. Oakes before the 28th Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 7, 1960.

CHART V

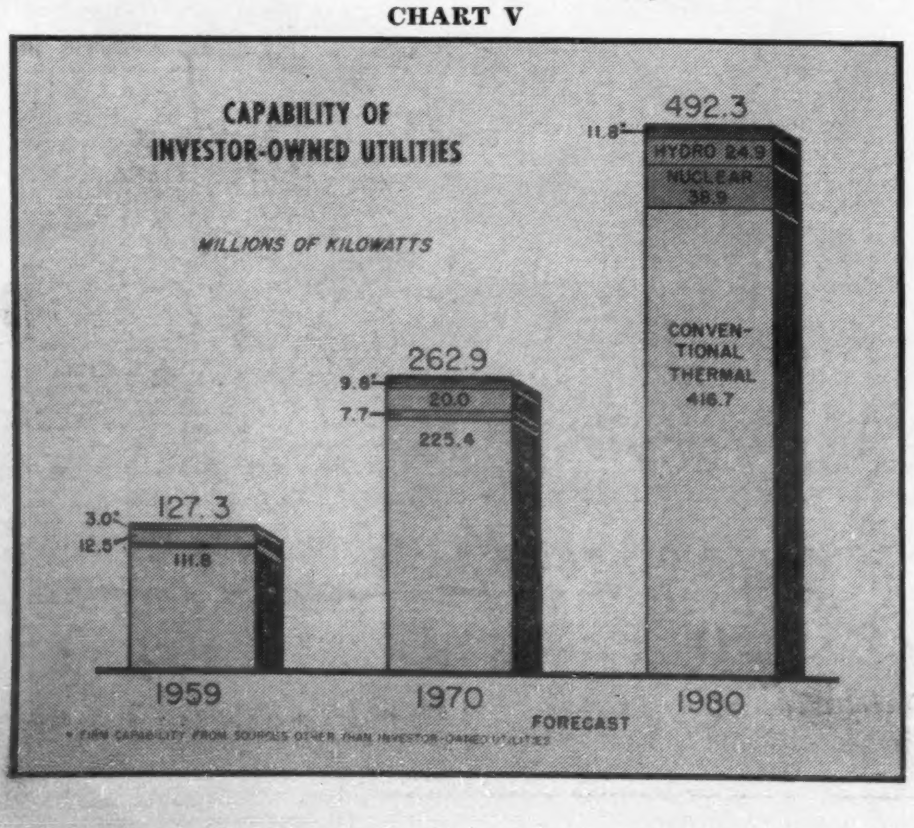
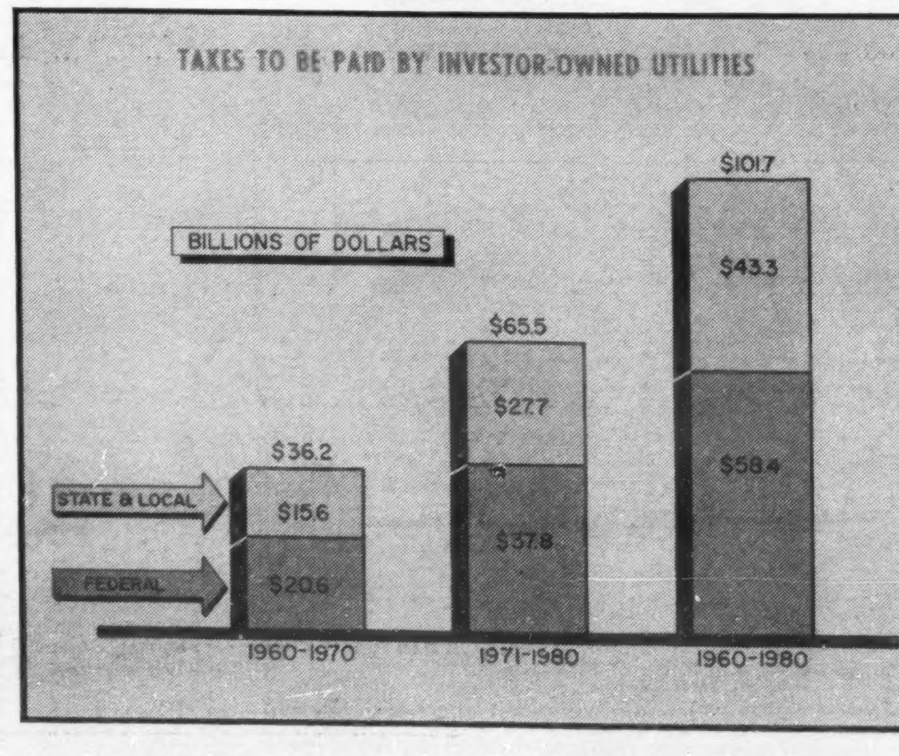


CHART VI



Michael Kletz Heads Yale Express Group

Michael G. Kletz & Co., Inc. is manager of an underwriting group which offered 300,000 shares of Yale Express System, Inc. class A stock at a price of $5.50 per share on June 10.

Of the total number of shares offered, 150,000 shares are being issued and sold by the company and 150,000 shares are being sold for the account of a selling stockholder, Benjamin Eskow, Chairman of the Board of Directors of the company.

Net proceeds from the sale of its 150,000 shares of class A stock will be used by the company for its expansion and improvement program, including the restoration of working capital expended to acquire its wholly owned subsidiary, American Freight Forwarding Corp.; and to restore funds advanced in connection with the terminal recently constructed in North Bergen, N. J.

Yale Express System, Inc., incorporated in 1938 under the laws of New York State, is a holding company which, through three wholly owned subsidiaries, carries on the business of common carriage by motor vehicle, freight forwarding and consolidation of property for shipment. It also leases trucks, trailers, tractors and other equipment to its subsidiaries and others. The company's subsidiaries haul general commodities by motor truck over regular routes in northeastern states from New Hampshire to Maryland, and between New York City and Florida; operate a freight forwarding system from Massachusetts to Texas, and consolidate shipments into a single shipment for delivery by a designated carrier or freight forwarder. Principal offices of the company are located in New York City.

For the year 1959, the company and its subsidiaries had consolidated operating revenues of $15,276,239 and net income of $848,269. Upon completion of the current financing, outstanding consolidated capitalization of the company and its subsidiaries will consist of $2,601,745 of long-term debt; 673,600 shares of class A stock and 1,047,200 shares of class B stock.

Investors Planning Branch

BUFFALO, N. Y.—The formal opening of a Buffalo, N. Y., branch office of Investors Planning Corp. of America was announced by Walter Benedick, President of the mutual fund sales organization. The company's first Western New York branch will occupy offices in Buffalo's new Tishman Building. Robert Kaffey will be Manager.

Lehman Brothers Heads United Fin. Corp. Offering

Lehman Brothers and associates on June 10 made a public offering, in units, of $6,000,000 United Financial Corp. of California 5% convertible subordinated debentures due 1975 and 120,000 shares of the company's capital stock. The offering is being made only in units, each unit consisting of $100 principal amount of debentures and two (2) shares of capital stock. The offering price per unit is $120 plus accrued interest.

The corporation is the majority owner of the capital stock of United Savings and Loan Association of Inglewood, Calif. and the owner of all of the capital stock of Rio Hondo Savings and Loan Association, South Gate, Calif. The company also operates an insurance agency for fire, casualty and related coverage normally required for protection of lenders in real estate transactions, and its subsidiary, Tested Insurance Agency, conducts a similar insurance business. The company has recently become licensed as an escrow agency.

The proceeds of the financing with the exception of approximately $700,000 will be distributed to the holders of the company's capital stock outstanding prior to the issue and sale of the units. The balance of the proceeds will be added to the company's funds and be available for general corporate purposes.

The debentures are convertible into capital stock after Sept. 1, 1960 at $22.22 per share. The issue will have the benefit of a sinking fund commencing May 1, 1966 under which the company is required to retire $600,000 debentures annually and at its option may retire up to an additional $600,000 principal amount annually.

For the sinking fund the debentures will be redeemable at par plus accrued interest. After Oct. 20, 1960 they are also redeemable at the option of the company in whole or part at 105% through April 30, 1961 and at decreasing prices thereafter, plus accrued interest.

Upon completion of the offering, the company will have outstanding $1,250,000 principal amount of purchase money obligations due 1969; the $6,000,000 debentures; and 1,290,056 shares of capital stock.

Municipal Bond Club Elects

The Municipal Bond Club of New York has elected the following new officers for the ensuing year:

President: John W. de Milhau, Chase Manhattan Bank; Vice-President: Hugh C. Wallace, Francis I. du Pont & Co.; Secretary: William F. Dore, Kuhn, Loeb & Co.; Treasurer: Alan N. Weeden, Weeden & Co.

Edward Jones Adds

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Arnold L. Heller has been added to the staff of Edward D. Jones & Co., 300 North Fourth Street, members of the New York and Midwest Stock Exchanges. Mr. Heller was formerly with J. R. Williston & Beane in New York City.

Form Patriot Investors

LEVITTOWN, N. Y.—Patriot Investors Corporation has been formed with offices at 3924 Miller Place to engage in a securities business. Officers are Louis A. DiMitri, president; Frank D. Sullivan, vice president and secretary; and Herman Udasin, treasurer.

WELLINGTON WF FUND

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MUTUAL FUNDS

BY ROBERT E. RICH

Plain Janes

If the denizens of Wall Street were given to marching and chanting like the students overseas, the downtown canyons these many months might have rung to such phrases as: "Electronics, yes! Cyclicals, No." And: "Railroads, go home!" And: "Up glamour! Down bread and butter!" However, last week the voice of the dissidents actually was heard in our land. It was a clarion-clear call to rally to the old lost cause of the carriers and urging the citizenry to embrace the plodding utilities. But by weekend it appeared that while many listened, few heeded. The teeming masses once more were lighting candles to Bausch & Lomb, Varian Associates, Texas Instruments and the other new gods.

The little-heeded call came at midweek. The first and louder blast was trumpeted by the world's largest brokerage concern which, incidentally, has never had any difficulty in restraining its enthusiasm for mutual funds. In a special issue of its mass-circulation magazine, the broker trumpeted the cause of the carriers. While it may have made few converts, there is no denying the one-day sensation, reminiscent of its plea several years ago for just one railroad: the Pennsylvania. Of course, it may be that this time the investment community will harken unto the message, but if institutional managers, brokers, traders and odd-lot buyers were filled with fervor, they seemed to have no difficulty in concealing it.

Meanwhile, in Atlantic City, where the Edison Electric Institute had convened, a top official of one of the nation's great life insurance companies was saying that the electric power industry would "remain the highest-quality investment medium in the '60s as it has been in the '50s." Utilities, unlike the railroads, have influential friends and derive support from the sophisticated. The result is that utility stocks, on average, have been rising steadily for the last 15 years. If they were to win friends among the little people, as they have attained influence in the big institutions, there might even be a shortage of stocks.

As for railroads, there have been times when it appeared they were just about friendless. And, even now, there's scant danger that they'll win any popularity contest. In the first quarter of this year, the open-end and closed-end funds, on balance, were sellers of such top-quality carriers as Southern Pacific and Southern Railway. True, the funds were net buyers of mighty Norfolk & Western. But neither that Pocahontas carrier nor any other railroad makes the list of the five dozen leading favorites of more than 1,600 financial institutions.

Contrast this with the record of the utilities: 13 of the 62 favorites are in this field. There is no denying that utilities have major appeal as "defense" stocks, but many investment-fund managers feel strongly that several of the utilities have considerable capital-gains prospects. The funds were buyers of utilities, on balance, early this year. Whether this was any more than a defensive measure, only time will tell.

But, whether it's the plodding utilities or the sidetracked railroads, it's difficult to arouse widespread enthusiasm for these regulated industries. They simply don't have the luster of electronics or automation. And they don't have the understandable appeal of bowling, boating and photography in this Leisure Age.

It may very well be, however, that the New Era will also mean a new day for the railroads and that this generation will settle for the unfrenzied growth of our utility industry. But the inclination is strong to predict that they will do so, if they do it at all, only after keen investment men have shown the way. The Plain Janes can be made to appear mighty attractive to other men, it seems, only after they've attracted numerous suitors.

The Funds Report

Haydock Fund, Inc. reports for the fiscal year ending Apr. 30 net asset value of $24.45, against $26.15 a year earlier. At latest report common stocks constituted 61½% of the total portfolio, compared with 66.7% a year earlier.

* * *

Grouped Income Shares, Ltd. reports that at March 31, end of the fiscal year, net assets per share totaled $3.42, down from $3.91 a year earlier.

* * *

Net investment assets of **Nucleonics Chemistry & Electronic Shares, Inc.** were at a record high of $8,477,000 on May 31, said John M. Templeton, President of the Tri-Science Growth Fund. This was more than a 52% increase from a year earlier. Net asset value per share was $13.58 on May 31, almost 4% higher than the figure six months earlier, after taking into account capital gain distribution of 50 cents during the past six months.

In the past year, the president disclosed sales of 10-year investment plans set a record of $13,600,000 in agreed payments, which brought the total commitments under plans to a high of $25,983,000.

Total net assets of **Investors Stock Fund, Inc.**, mutual fund affiliate managed by Investors Diversified Services, Inc., rose from $559,538,851 as of Oct. 31, 1959 to $601,387,920 on April 30, 1960, up $41,849,069 for the first half of the current fiscal year, Joseph M. Fitzsimmons, Chairman of the Board and President, announced in the fund's semi-annual report. Net asset value per share was $15.73 on April 30, compared with $16.53 on Oct. 31.

Dividends declared from investment income during the period totaled 20½ cents per share, compared with 19¼ cents for the corresponding period a year ago.

The fund, which invests principally in common stocks or their equivalent, had its larger investments at the close of the half-year in the following industry groups: Chemicals, electrical equipment and electronics, insurance, oil and gas, public utilities.

* * *

A dividend of seven cents per share from investment income, payable June 24, was declared by **Johnston Mutual Fund, Inc.** This compares with a dividend from investment income of 7½ cents paid in the second quarter of 1959. Total dividends for 1959 amounted to 30 cents from investment income and 45 cents from realized capital gains.

* * *

Another purchase of Atlantic Research Corporation stock by the **Axe Investment Funds of New York** was announced. The purchase of 12,000 shares for $600,000 is the second purchase of Atlantic Research stock by the Axe Funds in recent months. Early in January it was announced that the Axe Funds had purchased 25,000 shares for $1 million. These shares were allocated to the portfolios of Axe-Houghton Fund A, Inc., Axe-Houghton Fund B, Inc., Axe-Houghton Stock Fund, Inc. and Axe Science and Electronics. Purchase of additional Atlantic Research shares "reflects the Axe Funds' continued interest in the progress of Atlantic Research and in the solid-propellant rocket industry of which it is a part," it was stated.

MUTUAL FUND INFORMATION

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MASS. HOSPITAL LIFE INSURANCE CO.

Massachusetts Life Fund
DIVIDEND

Massachusetts Life Fund is paying a dividend of 16 cents per share from net investment income, payable June 20, 1960 to holders of trust certificates of record at the close of business June 17, 1960.

Massachusetts Hospital Life Insurance Company, Trustee
50 State Street, Boston 9, Mass.
Incorporated 1818

Tri-Continental Corporation
A Diversified Closed-End Investment Company

Second Quarter Dividends
Record Date June 21, 1960
30 cents a share
on the COMMON STOCK
Payable July 1, 1960
67½ cents a share on the $2.70 PREFERRED STOCK
Payable July 1, 1960
65 Broadway, New York 6, N. Y.

The Dominick Fund, Inc.
A diversified closed-end Investment Company
Dividend No. 145

On June 14, 1960 a dividend of 12¢ per share was declared on the capital stock of the Corporation, payable July 15, 1960 to stockholders of record June 30, 1960.

JOSEPH S. STOUT
Vice President and Secretary

THE
LAZARD FUND, INC.
44 Wall St., New York 5, N. Y.

Dividend Notice

The Board of Directors today declared a dividend of 8 cents per share on the Capital Stock of the Fund payable July 15, 1960, to stockholders of record June 20, 1960. The dividend is payable from net investment income.

R. S. TROUBH
Treasurer

June 13, 1960.

SELECTED AMERICAN SHARES INC.

Prospectus from your dealer or
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FUNDAMENTAL INVESTORS, INC.
A common stock fund

DIVERSIFIED INVESTMENT FUND, INC.
A balanced fund

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Hugh W. Long and Company, Inc.
Elizabeth 3, New Jersey
187B

Paine, Webber Heads Lab. for El't'nics Rights

Laboratory For Electronics, Inc. (Boston, Mass.) is offering its stockholders the right to subscribe for 63,656 additional shares of common stock at the rate of one (1) share for each ten (10) shares held of record on June 9, 1960. The subscription price is $35 per share. The right to subscribe will expire on June 30, 1960. The offering is being underwritten by a group headed by Paine, Webber, Jackson & Curtis.

A principal purpose of the financing is to enable the company to handle a larger volume of business which will require larger accounts receivable and a larger inventory; proceeds from the financing not so applied will be used to reduce the need for borrowing under the company's V-Loan Agreement.

Backlog of the company amounted to approximately $28,440,000 on April 29, 1960. Sales during the year ended April 29, 1960 were $38,526,000, compared with $20,410,000 in the year ended April 24, 1959; net income in the respective years was $1,226,000 and $578,000.

Laboratory For Electronics, Inc. is engaged principally in the research, development and production of electronic equipment for aviation and other military uses. Its products are grouped in three principal categories, namely, self-contained aircraft navigating systems, air traffic control equipment, and computer products. Its most important product is a doppler navigating system for aircraft. Developed by the company, the system gives the pilot a continuous indication of his latitude, longitude, ground speed and course and distance to destination.

Upon issuance of the additional shares outstanding, capitalization will consist of $4,546,009 bank debt under the Regulation V-Loan and 700,208 shares of common stock.

Other members of the underwriting group are:

Hemphill, Noyes & Co., Hornblower & Weeks, Lee Higginson Corporation, Carl M. Loeb, Rhoades & Co., F. S. Moseley & Co., Shearson, Hammill & Co., White, Weld & Co. Incorporated, J. Barth & Co., Alex. Brown & Sons, Dominick & Dominick, Hayden, Stone & Co., W. C. Langley & Co., Tucker, Anthony & R. L. Day, C. E. Unterberg, Towbin Co.

Pecaut & Co. Formed

SIOUX CITY, Iowa—Pecaut & Company has been formed with offices at 511 Sixth Street to engage in a securities business. Partners are Russell B. Pecaut, Richard A. Pecaut, Jackson S. Pecaut, and M. J. Pecaut. Russell B. Pecaut was formerly a partner in C. W. Britton, Pecaut & Co.

Sakier Opens Branch

MONTICELLO, N. Y.—Sakier and Co. Inc. has opened a branch office in the National Union Bank Building, under the management of Samuel Friedman.

Comparison & Analysis

FIRE & CASUALTY INSURANCE STOCKS

Bulletin on Request

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Specialists in Bank Stocks

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

Market prices for many of the nation's leading bank stocks are down considerably from their record highs at the beginning of this year. Investment opportunities, from a timing point of view, exist for new or additional bank stock commitments. Many bank stocks are selling at modest prices relative to the higher earnings indicated for 1960. They offer reliable and growing investment returns, combined with defensive characteristics and healthy growth potential.

Present cash dividend payout is historically low, under 50% in many situations. The numerous stock dividend payouts during the past year will no doubt be followed by increased per share cash payouts. Bank stocks generally can be expected to maintain their past investment standing as good income producers over the determinate future. For leading banks, first-half 1960 operating earnings are likely to show gains of 20% or more from the 1959 six-month period. For the full year the indicated 12% to 15% increase in operating earnings will parallel the gains registered in 1959.

The recent lowering of the rediscount rate by Federal Reserve Banks from 4% to 3½% is not expected to have any adverse effect on the 1960 bank earnings outlook. Bank loans continue strong and the prime rate of 5% still prevails. Should the prime rate be lowered, any drop would have to exceed the drop in the rediscount rate before the return being realized on bank loans would stop advancing.

Apart from the status of the economy, bank stocks are in a favored position to produce steadfast earnings due to the inherent nature of banking. Earnings can rise in periods of recession due to stimulating governmental policies which increase loanable funds for banks. In periods of prosperity earnings can grow from higher rates received on loans and investments. Income from fiduciary, trust and other services also tends to be recession resistant. Devoid of the obsolescence hazard a bank's vital raw material "money" is at work around the clock in profitable channels.

To satisfy different investment objectives, individual stocks can be selected from those with higher yields, such as the Philadelphia banks, to those representing dynamic growth situations, such as the Arizona banks. Although investors are inconvenienced by having to follow their bank stocks price performances in the "over-the-counter" market, bank managements are doing a better job in keeping investors informed than heretofore. Today, over one-half of the 50 largest U. S. banks release quarterly earnings results. The accompanying table lists 25 of the 50 largest banks which release such reports quarterly.

Price Action of Leading Bank Stocks

	Approx. Bid Price Range 1960-1959	Recent Mean Price	Divid.	Yield	Price/Earn'gs Ratios Avg. P/E 1959	Rec. P/E Lat. 12 Mos.
Mellon Natl., Pittsburgh	172-135	139	$4.00	2.9%	18.5	15.3
Detroit Bank & Trust	55- 42	43	2.00*	4.7	10.6	8.8
Irving Trust Company	44- 37	38	1.60	4.2	14.2	12.2
First Natl. City, N. Y.	94- 73	78	3.00	3.8	15.3	13.2
Morgan Guaranty, N. Y.	118- 94	101	4.00	4.0	18.3	15.8
Chase Manhattan, N. Y.	71- 55	59	2.40	4.1	13.3	11.5
Chemical Bk. N. Y. Trust	70- 55	57	2.40*	4.2	14.1	12.2
Crocker-Anglo, Calif.	38- 32	33	1.20	3.6	14.3	12.5
Manufacturers Trust, N. Y.	69- 51	56	2.40*	4.3	13.0	11.4
Hanover Bank, N. Y.	55- 44	47	2.00	4.3	14.2	12.5
Girard Trust, Philadelphia	58- 51	53	2.50*	4.7	13.1	11.7
National Bank of Detroit	67- 52	57	2.00	3.5	12.0	10.8
Bankers Trust, N. Y.	53- 38	46	1.72*	3.7	13.6	12.4
Central Natl., Cleveland	50- 39	44	2.00*	4.5	12.0	11.1
Citizens & Southern, Ga.	50- 39	42	1.50	3.6	15.6	14.5
Manufacturers Natl., Detroit	47- 42	45	2.00*	4.4	9.0	8.4
First Pennsylvania Banking	51- 44	48	2.30*	4.8	12.9	12.1
Philadelphia Natl. Bank	45- 40	43	2.00*	4.7	13.6	13.1
Bank of New York	335-246	312	12.00*	3.8	14.3	14.0
First National, Boston	78- 64	71	3.00*	4.2	12.0	11.8
Natl. City Bk., Cleveland	79- 63	75	2.40	3.2	12.1	11.9
Wells Fargo-American Tr.	58- 45	56	1.60	2.9	12.9	13.3
Security-First Natl., L. A.	65- 48	62	1.60	2.6	14.2	14.7
Pittsburgh Natl. Bank	71- 58	73	3.00*	4.1	12.0	12.9
Valley National, Phoenix	61- 35	61	1.00	1.6	17.9	23.6
Average for 25 stocks:				3.8%	13.7	12.8

*Increased cash dividend payouts during 1959-1960 period.

It will be noted from the table that the generally lower price-earnings ratios based on the latest 12 months earnings through March 31, 1960 compare favorably with the average 1959 price-full year operating earnings. About one-half of the banks tabulated also supplemented cash dividends with stock dividends, while 12 of the banks paid out higher cash dividends than in 1958.

The issuance of stock dividends from time to time covers one of the salient characteristics of bank stocks. In effect, stock dividends strengthen the earning power base of banks. Earnings are plowed-back to help meet an accelerated demand for loanable funds while leverage still remains high because deposits (borrowed funds) grow on the increased, though uniquely low percentage, common stock base. The trend is upward for banks in obtaining a higher percentage earnings return on book value. Loans which produce more deposits, which cost less to administer and result in less risk of loss, as well as loans which have the highest rates, are able to turn in the best earnings performance over a period of time. Banks enjoy certain tax benefits, particularly from sound bond portfolio supervision, which strengthen their asset positions and reinforce their earnings growth.

Large size is advantageous in banking and this characteristic largely explains the trend toward branch bank expansion and acquisitions of banks; five major bank mergers have occurred during the 1959-1960 period: Chemical Bank New York Trust Co., Morgan Guaranty Trust Co., Pittsburgh National Bank (Fidelity Bank & Trust & Peoples First National Bank), Firstamerica's acquisition of California Bank, and Wells Fargo Bank American Trust Co. Underway is the merger of Harris Trust & Savings Bank and Chicago National Bank.

The stocks of leading banks in major cities continue to hold particular promise as sound investments. Factors underlying their relative attractiveness include opportunity-minded and proficient managements, complete services, wider markets served — from local to international, highly developed fiduciary and trust services, greater economies from use of automation equipment, and strong second line managements to assure leadership in future years.

As a group New York City bank stocks are considered to have special investment attraction for the above reasons, together with their established record for efficient operations. These banks are expected to benefit from permissive relaxation of vault cash requirements and lower Reserve requirements. Effective July 1, 1960, New York banks can apply for geographic expansion of operations in order to service and to tap deposits funds from suburban populations in neighboring counties.

STATE OF TRADE AND INDUSTRY

Continued from page 7

the rate of capital spending for this year is still high. It has not yet been felt in the steel market to the extent anticipated. As a result, some improvement in construction and machinery steel orders should materialize.

(4) Canmakers have increased their tinplate releases and the mill logjam on tinplate is breaking up. Mills are reducing their inventories, and the production outlook is good.

(5) The effects of automotive purchases of foreign steel lasted longer than almost anyone expected. One major automaker, the last to do so, will clear up its foreign steel only this month.

The heavy shipments of foreign steel to automakers are largely responsible for the first quarter bulge in steel imports. Automakers placed heavy orders (which could not be cancelled) when a long shortage was expected. They came in just as the market was weakening, adding to the softness.

Further easing of the steel market is indicated this week in reduction in net charges for lighter gages of tinplate. The initial move, made by U. S. Steel Corp. reduced thickness and width charges for the lighter gages.

Steel Industry to Operate at Low Rate in Summer Months

First quarter imports of steel mill products were 85% higher than those in 1959's first quarter and are coming into the U. S. at an annual rate of 5.6 million tons, "Steel," the metalworking weekly, reports.

In the first three months of 1960, 1.4 million tons of foreign steel invaded the U. S. market (vs. 757,555 net tons in 1959's first quarter). U. S. exports in the first quarter inched up to 528,000 tons from 507,000 in the like 1959 period.

"Steel" commented that if the last three quarters match the first period, the U. S. will be a net importer of 3.5 million tons of steel this year.

Few expect the year-end total of imports will reach 5.6 million tons (vs. 1959's record 4.4 million), but marketing executives are admitting privately that the 1960 figures will exceed estimates made early in the year. They expected imports to drop sharply within a month or two of the strike settlement.

Some imports are still coming in as a result of long term contracts made during the strike.

Big gains are noted in some steel products. Sheet and strip imports soared to 247,339 tons—16 times the 1959 figure. Plates jumped to 144,215 tons — eight times the prior year's total. Large structural shapes more than doubled, from 75,978 tons to 158,849. Pipe and tubing jumped 80% from 93,984 tons to 168,251.

U. S. steel production may fall below 60% of capacity in July and early August, "Steel" said. Last week, steelmakers operated their furnaces at 62.3% — 1.7 points above the previous week's revised rate. Output: About 1,775,000 ingot tons.

Orders for most products are still declining. Sales executives expect no sustained improvement in order entry until late July or early August.

A high percentage of orders now being received by steelmakers are marked "urgent," indicating low stocks are being held by many consumers. An upturn in consumption will soon be reflected in mill operations.

The scrap market continued its decline for the second week, reflecting absence of substantial domestic demand and sluggish steel operations. "Steel's" composite on No. I heavy melting grade slipped 67 cents to $31.33 a gross ton.

Spending for plant and equipment is still being looked to as one of the strongest factors that could keep the 1960 economy on a record-breaking campaign, "Steel" said. But it will take a big second half to overcome a slow start.

Manufacturers in Philadelphia believe 1960's capital expenditures will top the record (set in 1957) by 4%. Producers of durables anticipate a rise of 26% over last year, while producers of nondurables see only a 6% improvement.

This Week's Steel Output Based On 62.3% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *110.5% of steel capacity for the week, beginning June 13, equivalent to 1,775,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compare with the actual levels of *109.3% and 1,756,000 tons in the week beginning June 6.

Actual output for last week beginning June 6, 1960 was equal to 61.6% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity is 62.3%.

A month ago the operating rate (based on 1947-49 weekly production) was *126.4% and production 2,031,000 tons. A year ago the actual weekly production was placed at 2,620,000 tons, or *163.1%.

*Index of production is based on average weekly production for 1947-49.

Steel Production For May Totaled 8,832,000 Tons

The production of steel totaled 8,832,000 net tons of ingots and steel for castings during May, and 53,350,750 tons during the first five months of 1960, said American Iron and Steel Institute today in its monthly preliminary report.

The May production compared with 9,777,857 tons made during April 1960 and 11,600,581 tons made in May 1959.

The five-month total was 19,819 tons lower than in the corresponding part of last year when the output was a record 53,370,569 tons.

According to American Iron and Steel Institute's index of steelmaking the May 1960 output was 124.2 in terms of the basic index of average production during the period 1947-1949. This compared with 142.0 for April 1960, and 163.1 for May 1959.

The index figure for the first five months of 1960 was 152.9

against 154.0 in the corresponding part of last year.

Based on the Jan. 1, 1960, capacity rating of 148,570,970 net tons of raw steel annually, the steelmaking facilities were utilized at an average of 70.0% of capacity during May 1960, against 80.1% of capacity during April 1960. The average for the first five months of 1960 was 86.2% of capacity.

Auto Production 16% Above Output in Same Period of 1959

The U. S. auto industry, which completed its 4,000,000th car or truck in the week ended June 11, will pass another significant milestone within the next two weeks when it turns out the one-millionth compact car of 1960, according to "Ward's Automotive Reports."

"Ward's" said the four new compact makes which were introduced last fall have boosted this year's production to more than 880,000 small cars.

At this time last year, the two compacts then in production had accounted for roughly 278,000 cars out of the industry total.

"Make-up" operations for Memorial Day production losses increased the latest week's passenger car output to an estimated 142,843 units, 24% more than previous week (115,068). Truck production of 24,035 units brought combined automotive volume for the week to 166,878 vehicles.

In contrast to the four-day programs of the preceding week, most auto factories operated on five-day routines in the week ended June 11 and some resumed their normal Saturday assembly schedules. They were the four Falcon facilities, the Comet plant at Lorain, Ohio, and American Motors at Kenosha, Wis., which is building cars on a 24-hour-a-day basis. Studebaker-Packard continued with its four-day program.

"Ward's" said plant shutdowns for "inventory adjustments" were noticeably fewer than in previous weeks. Seven plants operated on four-day schedules and two were closed all week. Labor troubles offered some interference with assembly at Mercury's Wayne, Mich., site and at the DeSoto and Chrysler lines at Chrysler Corp.'s Jefferson plant in Detroit.

Cumulative auto production for 1960 to date now stands at an estimated 3,426,386 units. This is an increase of 16% over the same time last year (2,948,783).

Electric Output 1.9% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, June 11, was estimated at 13,766,000,000 kwh., according to the Edison Electric Institute. Output was 632,000,000 kwh. above that of the previous week's total of 13,134,000,000 kwh. and showed a gain of 263,000,000 kwh., or 1.9% above that of the comparable 1959 week.

Car Loadings 15.6% Below 1959 Week

Loading of revenue freight for the week ended June 4, 1960, totaled 574,301 cars, the Association of American Railroads announced. This was a decrease of 106,316 cars or 15.6% below the corresponding week in 1959 and a decrease of 39,080 cars or 6.4% below the corresponding week in 1958. Comparisons are distorted, however, as the Memorial Day Holiday was observed in the current 1960 week but not in the corresponding week of 1959 or 1958.

Loadings in the week of June 4, were 66,087 cars or 10.3% below the preceding non-holiday week.

There were 11,560 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended May 28, 1960 (which were included in that week's over-all total). This was an increase of 3,019 cars or 35.3% above the corresponding week of 1959 and 6,951 cars or 150.8% above the 1958 week. Cumulative loadings for the first 21 weeks of 1960 totaled 221,663 for an increase of 62,099 cars or 38.9% above the corresponding period of 1959, and 124,068 cars or 127.1% above the corresponding period in 1958. There were 53 Class I U. S. railroad systems originating this type traffic in the current week compared with 47 one year ago and 40 in the corresponding week of 1958.

Inter City Truck Tonnage For June 4 Week Was 14.5% Below The 1959 Week

Intercity truck tonnage in the week ended June 4, was 14.5% below the volume in the corresponding week of 1959, the American Trucking Association, Inc., announced. Truck tonnage was also 13.3% behind that of the previous week of this year. These decreases are largely attributable to the Memorial Day Holiday; both the week-to-week and the year-to-year changes were affected since Memorial Day occurred on a Saturday last year compared to Monday of the latest week reported.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Lumber Shipments For Week Ended June 4 Were 5.5% Below Production

Lumber shipments of 460 mills reporting to the National Lumber Trade Barometer were 5.5% below production during the holiday week ended June 4, 1960. In the same week new orders of these mills were 8.4% below production. Unfilled orders of reporting mills amounted to 29% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 16 days' production at the current rate, and gross stocks were equivalent to 53 days' production.

For the year-to-date, shipments of reporting identical mills were 4.7% below production; new orders were 7.9% below production.

Compared with the previous week ended May 28, 1960, production of reporting mills was 12.4% below; shipments were 24.0% below; orders were 9.1% below. Compared with the corresponding full week in 1959, production of reporting mills was 16.6% below; shipments were 23.1% below; and new orders were 11.5% below.

Slight Rise in Weekly Business Failures

Commercial and industrial failures increased slightly to 283 in the week ended June 9 from 274 in the preceding week, reported Dun & Bradstreet, Inc. While casualties were not as high as a year ago when 295 occurred, they remained above the 254 in 1958 and edged 1% above the pre-war level of 279 in 1939.

Liabilities of $5,000 or more were involved in 261 of the week's failures, rising from 249 in the previous week and 254 in the comparable week of last year. On the other hand, small casualties, those with liabilities under $5,000, dipped to 22 from 25 a week earlier and fell considerably below their toll of 41 in 1959. Twentyseven of the failing businesses had liabilities in excess of $100,000 as against 30 in the preceding week.

Wholesale Commodity Price Index Slips Fractionally from Prior Week

There was a fractional decline in the general commodity price level this week, as lower prices on grains, steers, and steel scrap offset increases on flour, sugar, hogs, and lambs. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 272.55 (1930-32=100) on June 13, compared with 272.80 a week earlier and 277.70 on the corresponding date a year ago.

Although trading picked up at the end of the week from extremely low levels earlier, wheat prices were down moderately. Export transactions were active and offerings in some markets were light. A fractional dip occurred in rye prices, reflecting a slight decline in volume.

Reports that favorable weather prevailed in growing areas discouraged purchases of corn during the week and prices were somewhat lower, corn supplies were up appreciably during the week. Although trading in oats was sluggish, prices remained close to a week earlier. There was a noticeable decrease in sales of soybeans and prices were down significantly, reflecting weakness in soybean oil and meal markets.

A moderate rise occurred in flour trading pushing prices up somewhat. While export volume in rice lagged during the week, domestic trading picked up and prices were steady. Sales of sugar strengthened and an appreciable rise occurred in prices.

There was a slight gain in volume in coffee at wholesale and prices remained close to the preceding week. Cocoa prices moved within a narrow range during the week and finished slightly below the prior period; cocoa trading moved up somewhat. Arrivals of cocoa at United States ports to date came to 1,850,281 bags, compared with 1,643,193 a year ago. Warehouse stocks in New York totaled 65,131 bags, as against 62,185 last year.

Despite lower receipts in some markets and a slight dip in transactions, prices on hogs finished the week slightly higher. In contrast, steer prices were down fractionally reflecting lower supplies and a dip in volume. Lamb prices moved up moderately as higher receipts stimulated buying.

Cotton prices on the New York Cotton Exchange moved up at the end of the week and finished moderately higher than a week earlier. There was a slight rise in cotton trading.

Wholesale Food Price Index Declines in Latest Week

For the second week in a row, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., declined in the latest period and was down moderately from a year ago. It dipped 0.5% on June 7 to $5.90 from the week earlier $5.93, and it was down 3.1% below the $6.09 of the corresponding period last year.

Commodities advancing in wholesale cost this week were rye, hams, potatoes, and hogs. Lower in price were flour, wheat, corn, oats, barley, beef, bellies, lard, milk, cocoa, eggs, and steers.

The index represents the sum total of the price per pound of 31 raw food stuffs and meat in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Retail Trade Climbs Slightly Over a Year Ago

Despite a rainy Saturday in some areas, retail trade rose moderately from the prior period in the week ended this Wednesday and was up slightly from a year ago. The most appreciable year-to-year increases occurred in men's apparel, furniture, and air conditioners, which offset slight dips in women's apparel and linens. Sales of new passenger cars matched those of a week earlier and remained well over the similar 1959 period, according to scattered reports.

The total dollar volume of retail trade in the week ended June 8 was unchanged to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: East North Central +3 to +7; South Atlantic +2 to +6; East South Central 0 to +4; Middle Atlantic —1 to +3; West North Central and Mountain —2 to +2; West South Central and Pacific Coast —3 to +1; New England —4 to 0.

Nationwide Department Store Sales Down 13% June 4 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended June 4, 1960, show a decrease of 13% below the like period last year. In the preceding week, for May 28, an increase was reported. For the four weeks ended June 4, a 1% decrease was registered over the same period in 1959 while the Jan. 1 to June 4 period showed a 1% decrease.

According to the Federal Reserve System department store sales in New York City for the week ended June 4 a 16% decrease was reported over the like period last year. In the preceding week ended May 28 sales remained unchanged over the like period last year. For the four weeks ending June 4 a 1% increase was reported over the 1959 period, and from Jan. 1 to June 4 showed a 5% increase over 1959.

Peter Morgan & Co. Offers Thermal Industries Stock

Peter Morgan & Company offered on June 14 120,000 shares of Thermal Industries of Florida, Inc. Common Stock at a price of $6 per share.

Net proceeds from the sale of the common shares will initially be added to the general funds of the company. It is expected that portions of these funds may be used for financing of additional customers installment contracts; for repayment of bank loans and for inventory purchases. The balance of the proceeds will increase the company's working capital.

Thermal Industries of Florida, Inc. was organized under the laws of Delaware in February, 1960 as successor to a business begun in 1951. With its main plant, office and warehouse in Miami, Fla., the company and its subsidiaries are engaged in almost all phases of the air-conditioning business, including engineering, design, installation and service. Customers include builders, hotels, motels, apartment houses, office buildings, public buildings, factories and other industrial installations, housing developments, as well as owners of private residences. The company also buys, warehouses and distributes at wholesale, various types of air-conditioning equipment, spare parts and supplies. It is believed that the company is one of the five largest air-conditioning installers and distributors in Florida.

Net sales of the company rose from about $45,000 in 1951 (the first full year of operation of the predecessor partnership) to $1,126,591 for 1959. Earnings for the 1959 period were $107,488 after taxes, or 83 cents per common share on the 130,000 shares presently outstanding, making this the best earnings period in the company's history.

Upon completion of the current financing, outstanding capitalization of the company will consist of 250,000 shares of common stock, $1 par value, and $168,696 of sundry indebtedness.

Brush Beryllium Stock Offered

An underwriting group managed by Kuhn, Loeb & Co. and McDonald & Company is offering today (June 16) 435,182 shares of common stock of The Brush Beryllium Co., of Cleveland, Ohio at $42 per share.

The offering consists of 260,000 new shares being sold by the company to finance its expansion program and 175,182 shares being sold by certain stockholders representing the sale of a part of the Brush Beryllium holdings of each of such stockholders.

The principal business of the company is the production of beryllium, beryllium copper, beryllium oxide and other beryllium alloys and compounds and fabricated beryllium shapes. The products are used in missiles and aircraft, in atomic reactors, in the manufacture of sensitive instruments for the aircraft and other industries, and in business machines and communications and electronics equipment. Plants are located at Cleveland and Elmore, Ohio, and at Reading, Pa. Two new plants are under construction, one at Shoemakersville, Pa. to replace the Reading plant, the other at Hayward, Calif.

Proceeds received by the company from the sale of the additional shares will be used to finance expansion of facilities at the Elmore plant for the production of beryllium metal, and to finance expansion of the company's fabrication facilities. It is planned to increase the capacity of the Elmore plant to produce vacuum-cast beryllium billets from 12,500 lbs. per month to 24,000 lbs. per month, and to expand beryllium hydroxide capacity from 35,000 lbs. of beryllium content per month to 60,000 lbs. per month. The additional beryllium metal output will be used by Brush Beryllium in its fabricating operations to meet increasing demand for fabricated beryllium shapes.

Sales during 1959 amounted to $18,076,000 compared with $12,669,000 in 1958 and $7,962,000 in 1957 while net income increased to $1,482,000 in 1959 from $801,000 in 1958 and $361,000 in 1957.

Capitalization of the company as of June 7, 1960 adjusted to give effect to issuance of the 260,000 shares being sold by the company, comprised $6,233,500 convertible subordinated debentures due 1974 and 1,885,959 shares of common stock.

Form Commonwealth Secs.

WILMINGTON, Del. — Commonwealth Securities Limited has been formed with offices at 1100 King Street, to engage in a securities business. Officers are James M. Baxter, president, and Roland F. Rock, vice president, secretary and treasurer.

P. F. Hack Opens

NEW ORLEANS, La.—Philip F. Hack is engaging in a securities business from offices at 2344 St. Charles Avenue under the firm name of Philip F. Hack & Co. Mr. Hack was formerly with Madison Securities Corporation.

E. H. Nelson Opens

KILMARNOCK, Va.—Edward H. Nelson is engaging in a securities business from offices here. Mr. Nelson was formerly with Gregory & Sons, Clement A. Evans & Co., Inc. and Kidder, Peabody & Co.

With Hardy & Co.

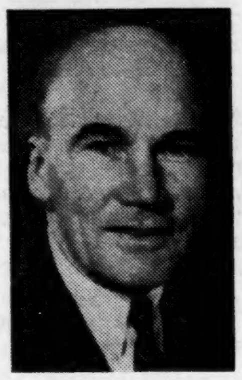
Angier St. George Biddle Duke is now associated with the investment firm of Hardy & Co., 30 Broad Street, New York City, members of the New York Stock Exchange, it has been announced.

Edison Electric Institute Elects Its New Officers

Electric utility trade association's convention elects Sherman R. Knapp to succeed Allen S. King as President of the organization. Philip A. Fleger becomes Vice-President of the Institute.

Sherman R. Knapp, President of The Connecticut Light & Power Company, was elected President of the Edison Electric Institute by its Board of Directors. Installation of the new President was made at the closing session of the Institute's 28th Annual Convention, held at Atlantic City, N. J., last June 8.


Sherman R. Knapp


Philip A. Fleger

Vice-President of the Institute since last June, Mr. Knapp succeeds Allen S. King, President of Northern States Power Company, as head of the trade association of the nation's investor-owned electric companies.

Mr. Knapp has been President and a Director of The Connecticut Light & Power Company since 1952. He joined the company in 1928 upon graduation from Cornell University. He served as an engineer in the Operating and Sales Departments until 1937, when he was made manager of the New Milford District. In 1941 he became Assistant to the sales Vice-President and he was named Assistant to the President in 1948. In 1949 Mr. Knapp was elected Executive Vice-President.

He is a Vice-President and a Director of Yankee Atomic Electric Company, which is owned by a group of 11 New England utilities, joined together to construct the area's first atomic electric power plant.

Mr. Knapp has been a member of the EEI Board of Directors and served on a number of Institute committees, including the General Division Executive Committee. He has served as President of the New England Gas Association and the Electric Council of New England. He is presently a director of the National Association of Manufacturers and a member of the National Industrial Conference Board and the National Planning Association. He served as Chairman of the Connecticut Flood Recovery Committee following the floods of 1955.

He serves as a director of the Connecticut Bank and Trust Co., the Emhart Manufacturing Co., the Hartford Accident and Indemnity Co., the Hartford Fire Insurance Co., the Hartford Steam Boiler Inspection and Insurance Co., and Scoville Manufacturing Co. He is also a trustee of Connecticut College and a Director of ACTION, Inc.

Philip A. Fleger Elected Vice-President

Philip A. Fleger, Chairman of the Board and President of Duquesne Light Company, was made the Vice-President of the Edison Electric Institute at the trade association's convention.

After graduating from the law school at the University of West Virginia in 1926, Mr. Fleger joined the Philadelphia Co. system, of which Duquesne Light was a part. He was advanced to General Attorney of Philadelphia Co. in 1939, elected Vice-President in 1940, Senior Vice-President in 1942 and Executive Vice-President in 1946.

Mr. Fleger has been Chairman of the Board and Chief Executive Officer of Duquesne Light Company since 1950. He is a Director of the Edison Electric Institute and has been for the past year Chairman of the EEI General Division Executive Committee. He is also a member of the Executive Committee of the Association of Edison Illuminating Companies and is a former member of the EEI Advisory Committee.

In 1956 he received the Duquesne University Award for Leadership in Management. A year later he received the Pittsburgh Junior Chamber of Commerce Award as Man of the Year in Business.

Last year Mr. Fleger received the award of the Western Pennsylvania Chapter of the Society of Industrial Realtors as Western Pennsylvania's outstanding industrialist for 1959.

Other EEI Officers

In addition to the above two newly elected officers, the Treasurer of the nation's trade organization of private elective companies is H. S. Sutton of Consolidated Edison Co. of New York, Inc., New York City.

The administrative officers are: Edwin Vennard, Vice-President and Managing Director, and A. B. Morgan, Secretary and Assistant Managing Director. The EEI's office is located at 750 Third Ave., New York City.

New Board Directors

Making their appearance as newly elected members of the Board of Directors, with terms ending in 1963, are:

Harllee Branch, Jr., President, The Southern Company, Atlanta, Georgia.

H. J. Cadwell, President, Western Massachusetts Electric Co., Greenfield, Mass.

T. G. Dignan, President, Boston Edison Co., Boston, Mass.

R. H. Fite, President, Florida Power & Light Co., Miami, Fla.

J. K. Horton, President, Southern California Edison Co., Los Angeles, Calif.

Allen S. King, President, Northern States Power Co., Minneapolis, Minn.

M. S. Luthringer, President, Central Illinois Public Service Co., Springfield, Ill.

P. B. McKee, Chairman and Chief Executive, Pacific Power & Light Co., Portland, Oregon.

D. H. Mitchell, President, Northern Indiana Public Service Co., Hammond, Ind.

R. G. Rincliffe, President, Philadelphia Electric Co., Philadelphia, Pa.

W. H. Sammis, President, Ohio Edison Co., Akron, Ohio.

W. O. Turner, Chairman and Chief Executive, Louisiana Power & Light Co., New Orleans, La.

J. H. Ward, President, Commonwealth Edison Co., Chicago, Illinois.

T. H. Wharton, President, Houston Lighting & Power Co., Houston, Texas.

E. H. Will, Chairman and Chief Executive, Virginia Electric & Power Co., Richmond, Virginia.

The Developing World of Trade and Investment

Continued from page 16

that the 1960's will be a decade of the greatest expansion and change that America has ever experienced.

The businessmen and women and the companies which move forward most successfully will be those that do the most effective long-range planning.

There are some important lessons to be drawn from the facts and figures that have been developed for the 1960's, lessons that will assist in such planning.

To meet the challenge of the next decade the U. S. must step up the total yearly production of goods and services from the present $465 billion level to about $750 billion. We will have to increase yearly sales by $165 billion or about 52% within these 10 years, to keep up with expanding production.

Reaching a $750 billion production level by 1970 will provide over $600 billion of personal income for people—an average of $9,550 per family as compared with $7,400 today. With improved incomes, the average family will be able to afford a better standard of living.

The businessmen of Washington, Oregon, Montana and Idaho —and Alaska—will have a larger domestic market to serve in the 1960's. For the businessmen of British Columbia, Alberta, and other parts of Canada, they can count on a growing major market south of the border in this decade.

Alaska

As the Northwest area looks abroad it naturally looks westward across the Pacific—first to Alaska and Hawaii, the two newest states—and beyond to the rim on the other side of the ocean.

Alaska is a key part of your Pacific Northwest Trade Association area, and has been so well publicized since achieving statehood, there is little I can add to what is already known in the Northwest area.

Like all the Northwest area, Alaska has had a phenomenal growth in recent years, and has a great potential for expansion in this decade.

Despite all the publicity about Alaska over the past two years, I find considerable ignorance about it around the United States.

Not many of our people realize how big Alaska is—one-fifth as large as all the other 48 states together. Its population went up nearly 65% from 1950 to 1958 when Congress voted its statehood. Alaska leads all other states in the rate of population growth and where population goes, so too, goes consumer demand, and economic growth.

Although Alaska has less than 20,000 acres under cultivation, it is estimated there are from 2.5 million to 3.2 million acres suitable for farming there. I think the possibilities were clearly indicated by the 195% increase in crop acreage in the first seven years of the 1950's.

While most of Alaska's trade has been with the U. S. mainland, imports and exports with other countries have been growing. Total imports went from $1.3 million in 1951 to $3.8 million by 1957. Total exports went from $2.4 million to $8.4 million in the same seven year period.

Exports are mostly pulp, wood and scrap metal. Chief among the non-U. S. countries for Alaska trade are Canada and Japan.

A good start has been made in taking care of Alaska's credit needs, but "the important task for the future is to maintain and encourage an adequate and consistent flow of credit and risk capital." I agree that there is a need for an educational process to acquaint investors and lenders with the potentialities to be realized from doing business in Alaska.

Except for oil exploration, American financial interests outside Alaska have been relatively slow in putting investment capital into developing the resources there. The Japanese have not been slow, however. A Japanese-financed $50 million pulp mill is going up in Sitka, four leading steel companies of Japan sent a team to Alaska to survey iron ore development, while other Japanese industrialists are interested in coal and oil in Alaska.

Hawaii

With a population of over 600,000 and an annual gross product of nearly $1.5 billion, Hawaii is a dynamic market for trade. Its rate of population growth, for example, is faster than that of the United States. Per capita income of $1,876 is larger than that of 26 states.

Most of the Hawaiian trade is, of course, with the United States. Purchases from the U. S. mainland climbed from an annual average of $304 million in the 1946-50 postwar years up to $426 million in 1958.

Imports from other countries moved up from a yearly average of $12 million in the 1946-50 postwar period to over $33 million by 1958.

Canada sells more of its goods to Hawaii than to Communist China, a controversial market I will discuss later.

Hawaii sells about $1.5 million of its goods to Canada, and buys about $3 million of Canada's goods in return.

This 50th state buys from the United States mainland nearly twice as much as it sells to us every year.

Certainly, Hawaii is a good and growing customer for the Pacific Northwest.

Across the Seas

Moving westward over the Pacific we come to the Philippines, a growing and flourishing market for trade. The overcast skies of political uncertainty seem now to be clearing and brighter days appear to lie ahead. Then on to Australia and New Zealand which—as part of the British Commonwealth—have close economic family relations with Canada. These are important markets for United States trade as well.

Australia is undergoing a great economic upsurge. A new billion dollar hydro-electric project on the Snowy River will provide electric power for further development programs. Incidentally, the cost of that single project is equal to one-fifth of the Australian national product in 1950. A million - and - a - half immigrants have poured into Australia, mostly from Europe, to help build up this growing country.

Southeast Asia is moving up economically. Burma, for example, reports its gross national product up 7% to $1.1 billion in the past five years. Malaya is up 60% to about $2.2 billion annually. Thailand is our prosperous and politically staunch ally. Military security is assisting the Associated States, formerly Indo-China, to start on the road to economic progress. Indonesia, rich and populous, has a less clear future. It is the major unanswered question in the area.

Japan

Japan has come up from the ashes of military defeat 15 years ago to a position of economic leadership in the Far East. For the first time in history Japan became a creditor instead of a debtor nation. It has even sent $1.2 billion of investments into other countries, and the Bank of Tokyo operates a branch in Los Angeles.

Gross national product in Japan jumped from $12.3 billion to nearly $30 billion in the past decade—averaging a yearly gain of 8%. Per capita income has more than doubled in the same time.

Japan is reaching out across the world for trade. Meanwhile, it also cultivates its own backyard. It is building a $27.5 million fertilizer plant for East Pakistan, has a cement factory in Singapore, a shirt factory in Colombo, and radio and auto plants in Formosa.

Japan also moves far afield, however, and has a number of sizable projects going in other countries. In Latin America, for instance, 88 Japanese companies have arrangements with local companies. It has invested $35 million in Brazil, including the building of an $18 million shipyard, and is also helping build a 500,000-ton steel mill.

As aggressive as Japan is in pushing its exports, it has dropped from its prewar position of fourth place in world trade to eighth place today.

Japan, however, is a growing buyer from other nations, and its imports have passed prewar levels. Its expanding economy has lifted the living standard of the people by over 100% since 1950.

Nationalist China

Nationalist China is a key factor in Far East trade.

The economy on Formosa has developed to a strong and almost self-sustaining position. Its population is now nearly 12 million as compared to six million on VJ-Day and a present population of 18 million in Canada. Formosa is a market of substantial size for trade.

Beyond Formosa, however, is the overseas Chinese population estimated at between 10 and 20 million outside the Communist China mainland. These people, tied to Nationalist China through warm and friendly relationships, constitute an influential group of the greatest importance in future trading on the far side of the Pacific rim.

Many of these "overseas Chinese" occupy key financial and trading positions in Manila, Singapore, Hongkong, Bangkok and Saigon. They are prominent business leaders in these cities and they are not allowed to become citizens of the countries in which they live.

Many of them are uncertain about the future, whether they can continue their loyalties to Free China because in some of these countries, Free China is not recognized while Communist China is. If they cannot be citizens where they live, they must orient themselves to their homeland. It would be tragic if the overseas Chinese were to be denied orientation to Free China and forced into the Communist orbit for, surely, in this way the

Free World would lose much of South East Asia.

I know there has been criticism of the United States for frowning on Canadian and British trade with Red China, and there has been much talk in Canada that she needs to trade with that country.

The Facts on Red China's Trade

However, I note that exports from Canada to Communist China amounted to only $1.7 million (Canadian Dollars) last year, while her total exports to all countries except the Commonwealth countries came to about $4 billion, plus another $1 billion to Commonwealth countries.

This $1.7 million of exports to Communist China is a little more than half of what Canada sells to Hawaii alone!

There was an interesting study of Canada's trade with Communist China in the Jan. 30, 1960 issue of "Foreign Trade" published by the Canadian Department of Trade and Commerce. While it seeks to encourage more trade, the study points out that the Soviet bloc is China's major trading partner, accounting for about 75% of the trading.

In listing the imports for Communist China, the study observes: Lest Canadian producers and exporters should exaggerate opportunities for themselves in the small percentage of China's imports of consumer goods, it is worth mentioning that the commodities imported were largely sugar, spices, animal and marine products, cotton cloth, kerosene, drugs, paper, and medical apparatus. **Most of the products in these categories are either not made in Canada, or if they are, they suffer from high prices or other considerations that work against them in the China market."**

Businessmen in the United States who are pushing for trade with Communist China should look at the volume of sales Canada makes, and decide whether the scanty gains are worth the price.

I believe that there are serious difficulties on the Chinese mainland, that the nature of the Chinese people will not permit them to forever submit to the Yoke of Communism, and that anything we do to strengthen the hold of the Communists over Red China will be working against ourselves.

East-West Trade

Canada has been trading with the U. S. S. R. while the United States has not been doing any of it to any extent.

Exports from Canada to the Soviet Union amounted to $18.9 million in 1958 when a Canadian mission of businessmen went to Moscow, and dropped to $12.7 million last year—a loss of nearly one-third. This does not seem to be a growing trend in the face of rising world prosperity.

Canadian exports to other Communist bloc countries appear to be in better shape, with gains reported in Hungary, Yugoslavia, Czechoslovakia, Poland and Bulgaria.

The U. S. S. R. has made it clear that it intends to compete with the free world in winning economic supremacy in the coming years.

While the U. S. S. R. is part of the far Pacific rim it is doubtful that Eastern Siberia will become either an aggressive competitor or a good customer for the Pacific Northwest, in the foreseeable future.

So long as Russia and Red China go along together, however, they will continue the process of Communist political infiltration in Southeast Asia — Burma, India, Indonesia, and the other nearby countries.

We cannot hope to be able to compete in every place against Communist nonprofit government supported production and selling, and their familiar technique of dumping goods in markets to break the price and force selling at high losses.

The free world can, however, meet Communist economic infiltration in some of these countries by helping to finance and develop the indigenous industries. Take India for example, where their iron and steel mills are of good quality. As these mills are expanded to meet local requirements, there would remain no reason why India should buy Russian iron ore and steel.

The World Concept

This leads to my final point—the need for a total world concept in planning for trade.

We have looked at the developing trends in Canada and the United States, and we have looked westward across the Pacific in weighing the prospects for more trade.

The once war-weakened nations have regained and, in some cases, surpassed their former positions of economic strength. Whole regions of nations are grouping together to promote self-help, as in the Common Market in Europe, and the Outer Seven.

All the industrially strong nations of the free world are not only strong enough to stand on their own feet and trade among themselves, but they are also strong enough today to join in cooperative efforts and help the underdeveloped countries reach economic maturity.

The rise of the regional groupings in Europe and other places around the world need not cause alarm. Economic growth among these countries will help make stronger markets for all of us.

Two weeks ago a joint statement was issued in Washington by the United States Departments of State, Commerce and Agriculture declaring that American industry now has the opportunity to increase exports by half a billion dollars a year. This is made possible by the widespread removal of import quotas on United States goods by European countries. The three departments said similar quota eliminations by countries in other parts of the world have also opened new avenues for U. S. exports. They said the end of 1960 should see the "virtual elimination throughout the world of quotas which discriminate against United States goods."

While the primary interest of the Pacific Northwest naturally starts with future trade prospects around the Pacific rim, the growing prosperity in Europe, the Near East and Latin America, and the awakening of the vast African continent, must also be taken into account.

One of the most interesting developments in the new world concept of American businessmen is the rising importance of foreign business in the total operations of many of our large corporations. More and more of our companies are opening branches, plants, buying or forming subsidiaries or arranging for representation or licensees in other countries.

American firms grossed some $12 billion in foreign sales annually 10 years ago. Last year they went over $30 billion.

The day is gone when large companies can leave their international divisions in the hands of junior executives. With increasing frequency we see today the international divisions, or subsidiary international companies, headed by some of the ablest men in management.

Along with new changes in world trade are coming new concepts in international financing. Isolationism in financing has become as obsolete as political isolationism.

Capital is a mobile commodity. Capital moves to the place where it is most needed, where the opportunities for growth exist, and where the rate of return will make the investment profitable and attractive to those who can invest. It need not be limited to the boundaries of a place, a region or a country.

Financing by Big 3 U. S. Banks

Financing of industrial development in other countries by U. S. financial institutions, corporations, and investors is moving forward in a large way around the world.

An example of this global financing which, in turn, will help make other countries more prosperous and better able to buy our goods, may be found in the international operations of the three biggest U. S. banks—Bank of America, Chase Manhattan, and First National City Bank of New York.

The Bank of America participates, like others, in the loans made to foreign countries by the International Bank for Reconstruction and Development (the World Bank). It assumes portions of loans for heavy industrial development projects such as dams in India, a steel mill in India, the vast new hydro-electric power plant and new railroad track in Japan.

It makes direct loans to foreign banks to finance local enterprise.

It extends commercial credit to large companies at home and abroad to finance their various industrial enterprises in other countries.

It establishes branches in foreign countries. During the past 12 months it has opened three new branches in the Far East—Kuela Lumpar, Malaya; Hongkong, and Okinawa. The last one was opened just recently. In June it will open a new branch in Buenos Aires, Argentina.

A further step in the Bank of America's foreign operations was its acquisition of controlling interest in the Banca d'America e d'Italia, with headquarters in Milan, with over 60 branches and agencies in 38 communities in Italy.

The Chase Manhattan Bank operates branch offices in virtually every major area of the free world—Europe, Middle East, Africa, Australia, Far East, South Asia, South America, Central America, and the Caribbean.

The First National City Bank of New York operates 84 branches, offices and affiliates in 28 foreign countries around the world, including many of the countries and areas already named as well as such places as Liberia, Saudi Arabia, Egypt, Union of South Africa, and the Bahamas.

American investments abroad have been increasing at a substantial rate. In Western Europe alone, for example, U. S. industry has almost trebled its investment in less than ten years. Direct investment—new capital and reinvested profits—of United States companies operating in Western Europe amounted to $1.7 billion in 1950, and is now estimated to be over $5 billion.

A big change has been taking place in U. S. investment in Western Europe. Most of the investment in the past went to one country, Britain, and was limited to just a few industries. Almost half of U. S. Capital invested in Western Europe is in Britain still, and most of it is in oil, autos, chemicals, and machinery.

The pattern is changing, however, and while the U. K. will continue to attract heavy U. S. investment, more capital is flowing into other countries. For example, in terms of U. S. investment per capita, Italy has been recently getting U. S. capital faster than any other country in Europe.

Even before the Common Market came into being, the countries on the continent were gaining ground over Britain. U. S. investment in the Common Market area increased 145% from 1950 to 1957, compared with 124% in the U. K. in the same period.

The current trend in Europe is moving from reinvested profits of large wholly-owned subsidiaries of big American companies, to new capital from the U. S. and more joint ventures with foreign firms.

Need for Consumer Credit Abroad

When we think of investment in other nations around the world let us include in our thinking the need to promote consumer credit in those countries. Consumer credit was the key that unlocked the door of mass production, mass consumption and mass employment in the United States over the past 50 years. It helped to lift our living standard to the highest in the world. It can do the same in other countries if given a chance.

The great public pools of capital, such as our American Economic Aid and Development Programs, operating as they do on a governemnt level, are performing important and useful services. However, the benefits of these programs all too often do not reach down to the little individual citizen. If we are really going to build the defenses of the free world against Communist infiltration, we must develop an economic middle-class throughout the world, more people "who have" and less "who have not." In Canada and the United States we have witnessed the achievement of this goal as the creation of consumer credit made it possible for the little fellow to have buying power he never had before. It might be said that this democratization of credit saved the free enterprise system in our countries. Certainly it has brought us the world's highest living standards. In their interest and in our own, let us export the consumer credit idea to the other nations of the free world.

To Summarize Then:

The world has moved into the 1960's more prosperous than ever before in its history. Most of the developed nations are making new records in their economic activities, and the underdeveloped countries are awakening to their potential for growth and expansion. Current trends in all parts of the world give promise to making the 1960's the Golden Decade for most of the people, assuming we manage to maintain the peace.

The free countries bordering on the far side of the Pacific rim would add up to approximately one-third of the population of the world. The people are there, the raw material resources are there and the markets are there. The great need for the area is to create purchasing power, and to assure political stability. The appetites and desires of the people for a higher standard of living can be stimulated, and trade can bring them the goods and services to satisfy their demands.

Rich as the promise is, however, we face many tough and real problems in turning the promises of the 1960's into reality.

I suggest the following guidelines for developing more world trade in the 1960's:

(1) Explore the ways to compete peaceably in a world that is part free and part Communist.

(2) Work together to bring about closer understanding and cooperation among the nations of the free world.

(3) Share the responsibility among the strong nations for helping the underdeveloped nations to become self-supporting.

(4) Lift our corporate industrial, financial and national sights to deal with the whole free world as a market for goods and services.

(5) Remove the barriers between the free countries so that trade can move freely around the world, and all can grow stronger.

(6) Through the development of consumer credit help all countries to develop an economic middle-income class in place of their rich-and-poor societies, so more people can have more of the good things of life to make the world a happier place, less vulnerable to communist infiltration.

In an address made by President Eisenhower last year he declared there are no longer foreign affairs and foreign policy for any country. The terms should be "world affairs." The President said: "We have discovered that we cannot separate what we do abroad from what we do at home."

*An address by Mr. Olmsted before the Pacific Northwest Trade Association, Vancouver, Canada.

M. A. Lomasney Offers Esquire Radio Common

Pursuant to a June 16 prospectus Myron A. Lomasney & Co., 39 Broadway, New York 6, is offering 150,000 shares of the 10-cent par value common stock of Esquire Radio & Electronics, Inc., at $5 per share.

Esquire Radio & Electronics, Inc. was incorporated under the laws of Delaware on March 24, 1960 and has entered into a contract to acquire, upon the completion of the offering, as a wholly-owned subsidiary Esquire Radio Corp., a New York corporation which is engaged in the business of designing and manufacturing on a contract basis for distribution by others portable transistor, clock and standard radios, monaural and stereo-phonographs, and combination radio phonograph units, both standard and high fidelity. In addition, the company will then be in the business of selling to distributors radios manufactured in Japan in accordance with the company's engineering and design specifications.

During the last five years the net annual income after taxes of this business has ranged from a low of $24,700 to a high, for 1959, of $155,800. After the completion of the offering, the President will own 62.2% of the outstanding shares of the company and the Treasurer will own 1.9% of the outstanding shares of the company and the public will own 35.9% thereof.

The net proceeds from the sale of the shares is expected to be used for the following purposes: (a) approximately $73,000 to replace funds used by the company for payment of subordinated notes; (b) approximately $50,000 to repay existing short-term bank obligations incurred since Jan. 1, 1960, which obligations were incurred in order to provide necessary working capital; and (c) the balance of approximately $477,000 will initially be added to working capital to be used for general corporate purposes, including financing of finished and raw material inventory. The amount of proceeds which will be required for the financing of inventories will be dependent upon future business trends and conditions, and, therefore, cannot be fixed at this time. Since a substantial portion of the company's sales are usually made in the last five months of the year, it has been the company's experience in the past that it must resort to outside sources for short-term loans to finance the inventory build-up necessitated by the seasonal nature of its business. The maintenance of a strong cash position will enable the company to finance said inventory largely itself instead of through bank borrowings as in the past.

R. K. McQuade Opens

TUCSON, Ariz. — Robert K. McQuade is conducting a securities business from offices at 4339 North Campbell Avenue under the firm name of R. K. McQuade & Co.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

• A. K. Electric Corp. (6/20-24)
May 4 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—231 Front St., Brooklyn, N. Y. **Underwriter**—Hilton Securities, Inc., 580 Fifth Ave., New York, N. Y.

• Airport Parking Co. of America (6/27-7/1)
April 27 filed 42,574 shares of class A common stock (no par), including 25,000 shares to be issued and sold by the company and 17,574 shares which are outstanding and will be offered by the holders thereof. **Price** — To be supplied by amendment. **Proceeds**—Principally for various leasehold improvements. **Office**—1308 Prospect Ave., Cleveland, Ohio. **Underwriters**—L. F. Rothschild & Co., New York, and Murch & Co., Inc., Cleveland, Ohio.

Alaska Empire Gold Mining Co.
April 12 (letter of notification) $300,000 of 6% income notes to be offered in multiples of $100 each. **Price**—At face value. **Proceeds**—For mining expenses. **Address**—Juneau, Alaska. **Underwriter** — Stauffer Investment Service, 1206 N. W. 46th Street, Oklahoma City, Okla.

• Ald, Inc. (6/22)
April 28 filed 335,880 shares of common stock (par $1), of which 210,880 shares are outstanding and will be offered for the account of the holders thereof and 125,000 will be issued and sold by the company. **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Office**—7045 North Western Ave., Chicago, Ill. **Underwriter**—Dean Witter & Co., Chicago and New York.

• Alderson Research Laboratories, Inc. (7/11-15)
May 26 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—48-14 33rd St., Long Island City, N. Y. **Underwriter** — Morris Cohon & Co., New York, N. Y.

★ Allegheny Pepsi Cola Bottling Co.
June 9, 1960, filed 200,000 shares of common stock and $500,000 of first mortgage bonds, due 1963 through 1972. **Price** — $5 per common share, and bonds at 100% of principal amount. **Proceeds**—To purchase the outstanding shares of the Cloverdale Spring Co., and the balance for the general funds. **Office**—Guildford Ave., Baltimore, Md. **Underwriter**—Weil & Co. of Washington, D. C.

• Alside, Inc. (6/21)
April 28 filed 300,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—Together with an additional sum of $6,000,000 to be borrowed for institutional lenders, will be used to provide consumer financing for the company's products by purchasing consumer paper from the company's distributors and dealers. **Office**—1415 Waterloo Road, Akron, Ohio. **Underwriter**—Reynolds & Co., Inc., New York.

Ameco Electronic Corp. (6/27- 7/1)
May 19 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 37 E. 18th Street, New York, N. Y. **Underwriter**—Palombi Securities Co., New York, N. Y.

American Bowla-Bowla Corp. (6/27-7/1)
April 15 filed 100,000 shares of common stock and warrants for the purchase of an additional 50,000 shares. The company proposes to offer these securities for public sale in units consisting of two shares of stock (par 25 cents) and one warrant. **Price**—$6.25 per unit. **Proceeds**—To cover an initial installment on the purchase price of two additional bowling centers; for furniture and fixtures thereon; and the balance to be added to working capital and be available for general corporate purposes. **Office**—400 38th St., Union City, N. J. **Underwriter**—Hill, Thompson & Co., Inc., New York.

★ American Electronics, Inc. (7/18-22)
June 13, 1960, filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes including construction and debt reduction. **Office** — 1725 West Sixth St., Los Angeles, Calif. **Underwriter**—Shields & Co., New York City.

• American Frontier Life Insurance Co.
Nov. 30 filed 200,000 shares of capital stock. **Price**—$8 per share. **Proceeds** — To increase capital and surplus. **Office**—1455 Union Ave., Memphis, Tenn. **Underwriter**—Union Securities Investment Co., also of Memphis, which will receive a selling commission of $1.20 per share. **Offering**—Imminent.

• American International Aluminum Corp. (6/27-7/1)
April 13 filed 400,000 shares of common stock (par 25c). **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office** —4851 N. W. 36th Ave., Miami, Fla. **Underwriters**—

Continued on page 47

NEW ISSUE CALENDAR

June 17 (Friday)

Columbia Technical Corp. — Common
(Diran, Norman & Co., Inc.; Cortland Investing Corp. and V. S. Wickett & Co., Inc.) $300,000

Doak Pharmacal Co., Inc. — Common
(Ross Securities, Inc.) $300,000

Elco Corp. — Common
(S. D. Fuller & Co.) 87,809 shares

Elco Corp. — Warrants
(S. D. Fuller & Co.) 82,065

Elco Corp. — Debentures
(S. D. Fuller & Co.) $1,000,000

McGowen Glass Fibers Corp. — Common
(Simmons, Rubin & Co., Inc.) $300,000

Medallion Pictures Corp. — Debentures
(Hancock Securities Corp.) $300,000

Republic Graphics Inc. — Common
(Arrin & Co., Inc.; T. M. Kirsch & Co. and Robert A. Martin Associates, Inc.) $300,000

June 20 (Monday)

A. K. Electric Corp. — Common
(Hilton Securities, Inc.) $300,000

Birtcher Corp. — Conv. Debentures
(Quincy Cass Associates) $500,000

Cabana Pools, Inc. — Common
(Mandell & Kahn, Inc.) $300,000

Chemical Packaging Co., Inc. — Common
(Mainland Securities Corp. and Jeffrey-Robert Corp.) $287,500

Chemo-Vive Processes, Inc. — Common
(General Investing Corp.) $150,000

Continental Capital Corp. — Capital
(McDonnell & Co.) $3,290,000

Development Credit Corp. of Maryland — Common
(No underwriting) $2,200,000

Fairmount Finance Corp. — Common
(J. T. Patterson & Co., Inc.) $290,000

Farrington Manufacturing Co. — Debentures
(Cyrus J. Lawrence & Sons and Brawley, Cathers & Co.) $6,000,000

Federal Steel Corp. — Common
(Westheimer & Co.) $295,000

First National Realty & Construction Corp. — Pfd.
(H. Hentz & Co.) 150,000 shares

First National Realty & Construction Corp. — Com.
(H. Hentz & Co.) 150,000 shares

First National Realty & Construction Corp. — War.
(H. Hentz & Co.) 150,000

Friendly Frost Inc. — Common
(No underwriting) $1,125,000

General Drive-In Corp. — Common
(Paine, Webber, Jackson & Curtis) 180,000 shares

Great American Realty Corp. — Debentures
(Louis L. Rogers Co. and Hilton Securities, Inc.) $2,000,000

Great American Realty Corp. — Class A
(No underwriting) 110,000 shares

Hampshire Gardens Associates — Units
(B. C. Morton & Co., Inc.) $376,000

Hudson Vitamin Products, Inc. — Common
(Bear, Stearns & Co.) 212,500 shares

Lasco Industries — Common
(Holton, Henderson & Co.) $300,000

Martin-Parry Marine Corp. — Common
(Edward H. Stern & Co.) $300,000

Mister Service, Inc. — Common
(General Securities Co., Inc.) $160,000

Monowall Homes, Inc. — Common
(American Diversified Securities, Inc.) $300,000

Movielab Film Laboratories, Inc. — Common
(Granbery, Marache & Co.) 100,000 shares

OK Rubber Welders, Inc. — Common
(Bosworth, Sullivan & Co., Inc.) 50,000 shares

Safticraft Corp. — Common
(George, O'Neill & Co., Inc.) $825,000

Sea-Highways, Inc. — Common
(John R. Maher Associates) $300,000

Service Instrument Corp. — Common
(Pearson, Murphy & Co., Inc.) $300,000

Talcott (James), Inc. — Common
(F. Eberstadt & Co. and White, Weld & Co.) 150,000 shares

Talcott (James), Inc. — Notes
(F. Eberstadt & Co. and White, Weld & Co.) $20,000,000

Tri-Point Plastics, Inc. — Common
(Martinelli, Hindley & Co., Inc.) $300,000

Waltham Precision Instrument Co., Inc. — Common
(Offering to stockholders—underwritten by Schweickart & Co.) 700,000 shares

June 21 (Tuesday)

Alside, Inc. — Common
(Reynolds & Co., Inc.) 300,000 shares

Electrada Corp. — Common
(Bache & Co.) 400,000 shares

Interstate Finance Corp. — Common
(Goldman, Sachs & Co.) 150,000 shares

National Old Line Life Insurance Co. — Common
(Equitable Securities Corp.) 128,329 shares

Oslo (City of) Norway — Bonds
(Kuhn, Loeb & Co.; Harriman Ripley & Co.; Lazard Freres & Co. and Smith, Barney & Co.) $10,000,000

Uranium Reduction Co. — Common
(A. C. Allyn & Co., Inc.) $1,232,848.50

June 22 (Wednesday)

Ald, Inc. — Common
(Dean Witter & Co.) 335,880 shares

Bruce National Enterprises, Inc. — Common
(George, O'Neill & Co., Inc.) $2,010,000

Harvey Aluminum, Inc. — Common
(Kuhn, Loeb & Co. and Tucker, Anthony & R. L. Day) 750,000 shares

Wallace Properties, Inc. — Units
(Harriman Ripley & Co., Inc.) 120,000

June 23 (Thursday)

Southern Union Gas Co. — Debentures
(A. C. Allyn & Co., Inc. and Snow, Sweeney & Co., Inc.) $12,000,000

June 24 (Friday)

Miles Laboratories, Inc. — Debentures
(Offering to stockholders—underwritten by The First Boston Corp) $8,300,000

Ramo Investment Co. — Common
(First Trust Co. of Lincoln) $9,600

June 27 (Monday)

Airport Parking Co. — Common
(L. F. Rothschild & Co. and Murch & Co., Inc.) 42,574 shares

Ameco Electronic Corp. — Common
(Palombi Securities Co.) $300,000

American Bowla Bowla Corp. — Units
(Hill, Thompson & Co., Inc.) $312,500

American International Aluminum Corp. — Common
(Hardy & Co. and Filor, Bullard & Smyth) 400,000 shares

American Rubber & Plastics Corp. — Common
(Hornblower & Weeks) 200,000 shares

Arkansas Western Gas Co. — Common
(Snow, Sweeney & Co., Inc. and A. C. Allyn & Co., Inc.) 50,000 shares

Atlas Bowling Centers, Inc. — Common
(Keller & Co.) 100,000 shares

Automatic Cafeterias for Industry, Inc. — Common
(Richard Gray Co.) $126,600

Bevis Shell Homes, Inc. — Debentures
(G. H. Walker & Co. and Bell & Hough, Inc.) $1,600,000

Bevis Shell Homes, Inc. — Common
(G. H. Walker & Co. and Bell & Hough, Inc.) 1,000,000 shares

Brook Labs. Co., Inc. — Common
(Sandkuhl & Company, Inc. and J. J. Magaril Co.) $297,000

C. F. C. Funding Inc. — Common
(Darius, Inc.) $150,000

Cellomatic Battery Corp. — Units
(Willis E. Burnside & Co., Inc.) $300,000

Chemtree Corp. — Common
(Havener Securities Corp.) $262,750

Compressed Concrete Construction Corp. — Common
(Capital Accumulation Corp.) $300,000

Edgerton, Germeshausen & Grier, Inc. — Common
(Kidder, Peabody & Co.) 120,000 shares

Edwards Engineering Corp. — Common
(Sandkuhl & Company, Inc.) $247,500

Equitable Leasing Corp. — Common
(Courts & Co.) $100,000

Espey Mfg. & Electronics Corp. — Common
(Sutro Bros. & Co.) 80,000 shares

Federated Electronics, Inc. — Common
(J. B. Coburn Associates, Inc.) $300,000

Figurette, Ltd. — Common
(Myron A. Lomasney & Co.) $600,000

Franklin Corp. — Common
(Blair & Co., Inc.) $10,000,000

Garrett Corp. — Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 100,000 shares

Gem International, Inc. — Common
(Bosworth, Sullivan & Co., Inc. and Scherck, Richter Co.) 150,000 shares

General Atronics Corp. — Common
(Harrison & Co.) $544,810

Goelet Corp. — Debentures
(Ross, Lyon & Co., Inc. and Globus, Inc.) $700,000

Goelet Corp. — Common
(Ross, Lyon & Co., Inc. and Globus, Inc.) 70,000 shares

Goelet Corp. — Warrants
(Ross, Lyon & Co., Inc. and Globus, Inc.) 35,000

Gulf States Utilities Co. — Bonds
(Bids noon EDT) $17,000,000

Hamilton Cosco, Inc. — Common
(Smith, Barney & Co., Inc. and City Securities Corp.) 300,000 shares

Hotel Corp. of America — Debentures
(Bache & Co. and Bear, Stearns & Co.) $1,500,000

I C Inc. — Common
(Purvis & Co. and Amos C. Sudler & Co.) $1,500,000

Illinois Beef, L. & W. S., Inc. — Common
(Amos Treat & Co., Inc.) $2,600,000

Lamtex Industries, Inc. — Common
(Finkle, Seskis & Wohlstetter) $500,000

Lee Motor Products, Inc. — Common
(Godfrey, Hamilton, Magnus & Co., Inc.) $501,000

Montgomery Ward Credit Corp. — Debentures
(Lehman Brothers) $50,000,000

Navigation Computer Corp. — Common
(Drexel & Co. and Townsend, Crouter & Bodine) 50,709 shares

Nebraska Consolidated Mills Co. — Common
(Offering to stockholders—no underwriting) $1,119,510

Obear-Nester Glass Co. — Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 210,045 shares

Oxford Manufacturing Co., Inc. — Common
(W. C. Langley & Co. and Courts & Co.) 240,000 shares

Polycast Corp. — Debentures
(M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc.) $400,000

Polycast Corp. — Common
(M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc.) 20,000 shares

Pyramid Electric Co.__________________Common
(No underwriting) $291,443.75

Reeves Broadcasting & Development Corp.___Com.
(Laird & Co. Corp.) $2,336,960

Rosauer's Super Markets, Inc.__________Preferred
(Foster & Marshall) $294,000

Saucon Development Corp.______________Common
(P. Michael & Co.) number of shares unknown

Sierra Electric Corp.__________________Common
(Marron, Sloss & Co., Inc.) $900,000

Sire Plan of Normandy Isle, Inc.______Debentures
(Sire Plan Portfolios, Inc.) $225,000

Sire Plan of Normandy Isle, Inc.______Preferred
(Sire Plan Portfolios, Inc.) 4,500 shares

Stelma, Inc.___________________________Common
(Amos Treat & Co., Inc.) 175,000 shares

Swimming Pool Development Co., Inc.___Common
(Marron, Sloss & Co., Inc.) $1,250,000

Triumph Storecrafters Corp.____________Common
(Hardy & Hardy and First Southeastern Co.) 145,000 shares

United States Boat Corp._______________Common
(Richard Bruce & Co., Inc.) $700,000

Whitmoyer Laboratories, Inc.___________Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000

Whitmoyer Laboratories, Inc.__________Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

Willer Color Television System, Inc.______Common
(Equity Securities Co.) $242,670

Win-Chek Industries, Inc.______________Class A
(Michael G. Kletz & Co.) $450,000

June 28 (Tuesday)

Bausch & Lomb Inc._______________Debentures
(Offering to stockholders—underwritten by Stone & Webster Securities Corp.) $6,657,900

Liberian Iron Ore Ltd_____________________Units
(White, Weld & Co., Inc.) 30,000 units

Northwest Natural Gas Co.______________Preferred
(Lehman Brothers) 60,000 shares

Tampa Electric Co.________________________Bonds
(Bids 11:00 a. m.) $25,000,000

June 29 (Wednesday)

Western Maryland RR.__________Equip. Trust Ctfs.
(Bids to be invited) $3,700,000

July 1 (Friday)

Central Illinois Electric & Gas Co.___________Bonds
(Bids to be invited) $10,000,000

Dalto Corp._____________________________Common
(No underwriting) 134,739 shares

July 5 (Tuesday)

American Sterilizer Co.____________________Common
(Glore, Forgan & Co. and Fulton, Reid & Co., Inc.) 150,000 shs.

Arco Electronics, Inc._____________________Common
(Michael G. Kletz & Co., Inc.) 140,000 shares

Associated Testing Laboratories, Inc.______Common
(Drexel & Co.) 75,000 shares

Buzzards Bay Gas Co.______________________Common
(Coffin & Burr, Inc.) 27,000 shares

Commercial Credit Co._______________________Notes
(First Boston Corp. and Kidder, Peabody & Co.) $50,000,000

Control Data Corp._________________________Common
(Dean Witter & Co.) 125,000 shares

E. S. C. Electronics Corp.__________________Common
(Laird, Bissell & Meeds) $300,000

Faultless Caster Corp._____________________Common
(Hayden, Stone & Co.) 250,000 shares

Futterman Corp.___________________________Class A
(Reynolds & Co.) 660,000 shares

General Sales Corp.________________________Common
(B. Fennekohl & Co., Inc.) 90,000 shares

Itemco, Inc.________________________________Common
(Morris Cohon & Co. and Schrijver & Co.) $500,000

Kenrich Petrochemicals, Inc.________________Common
(First Philadelphia Corp.) $192,500

Kenrich Petrochemicals, Inc.____________Debentures
(First Philadelphia Corp.) $175,000

Midwest Technical Development Corp.___Common
(Offering to stockholders—underwritten by Shearson, Hammill & Co. and Piper, Jaffray & Hopwood) 561,500 shares

Namm-Loeser's Inc. _________________________Common
(Offering to stockholders—Underwritten by Ladenburg, Thalmann & Co.) 217,278 shares

National Packaging Corp.__________________Common
(First Securities Corp.) $360,000

Trans Tech Systems, Inc.__________________Common
(Myron A. Lomasney & Co.) $650,000

July 6 (Wednesday)

Illinois Bell Telephone Co.__________________Bonds
(11:00 a. m. EDT) $50,000,000

Papercraft Corp. __________________________Common
(Offering to stockholders—underwritten by Eastman Dillon, Union Securities & Co.) 130,063 shares

Sierra Pacific Power Co.____________________Bonds
10:30 a.m.EDT) $3,500,000

July 7 (Thursday)

Gulf Power Co._________________________Preferred
(11:00 a.m. EDT) $5,000,000

Gulf Power Co._______________________________Bonds
(11:00 a.m. EDT) $5,000,000

Mississippi River Fuel Corp.____________Debentures
(Eastman Dillon, Union Securities & Co.) $24,000,000

July 8 (Friday)

Laclede Gas Co._____________________________Common
(Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith, Inc.; and Reinholdt & Gardner) Offering to stockholders—243,600 shares

New Britain Gas Light Co.__________________Common
(Offering to stockholders—underwritten by Putnam & Co.) 16,000 shares

July 11 (Monday)

Alderson Research Laboratories, Inc.____Common
(Morris Cohon & Co.) $300,000

Aviation Employees Corp.___________________Common
(Sterling, Grace & Co.) $5,000,000

Brockway Glass Co., Inc.___________________Common
(Lehman Brothers & Blyth & Co., Inc.) 162,000 shares

Commonwealth Development & Construction Company ______________________________Common
(Vickers, Christy & Co., Inc.; First City Securities, Inc.) $300,000

Conetta Manufacturing Co., Inc.____________Common
(Pearson, Murphy & Co., Inc.) $500,000

Consolidated Research & Mfg. Corp.___________Units
(Bertner Bros.) $325,000

Drug Fair-Community Drug Co., Inc._____Common
(Auchincloss, Parker & Redpath) 150,000 shares

Drug Fair-Community Drug Co., Inc.__________Units
(Auchincloss, Parker & Redpath) 500,000

Glass Magic Boats, Inc.______________________Common
(R. A. Holman & Co., Inc.) 68,000 shares

Glass Magic Boats, Inc.__________________Debentures
(R. A. Holman & Co., Inc.) $51,000

Laclede Gas Co.______________________________Bonds
(Bids 11:00 a. m. EDT) $10,000,000

Metropolitan Development Corp.___________Capital
(William R. Staats & Co.; Bache & Co. and Shearson, Hammill & Co.) 1,000,000 shares

Pauley Petroleum Inc.__________________Debentures
(William R. Staats & Co.) $10,000,000

Sav-A-Stop, Inc. ____________________________Common
(Pistell, Crow Inc.) $450,000

Wheeler Fibre Glass Boat Corp.____________Common
(Morris Cohon & Co.) $400,000

July 13 (Wednesday)

Northern Illinois Gas Co.____________________Bonds
(Bids 10:00 a. m. CDST) $30,000,000

July 14 (Thursday)

Varian Associates _____________________________Capital
(Offering to stockholders—underwritten by Dean Witter & Co.) 216,645 shares

July 15 (Friday)

Basic, Inc. _________________________________Common
(The First Boston Corp.) 123,808 shares

July 18 (Monday)

American Electronics, Inc.__________________Common
(Shields & Co.) 300,000 shares

Astrotherm Corp.______________________________Units
(Ross, Lyon & Co., Inc. and Globus, Inc.) $616,000

Cubic Corp. __________________________________Capital
(Hayden, Stone & Co.) 50,000 shares

Custom Craft Marine Co., Inc.______________Common
(R. A. Holman & Co., Inc.) $255,000

National Patent Development Corp.________Common
(Globus, Inc. and Ross, Lyon & Co.) $150,000

July 19 (Tuesday)

New Jersey Power & Light Co.________________Bonds
(11:00 a.m. EDT) $5,000,000

July 25 (Monday)

Deluxe Aluminum Products, Inc.___________Common
(R. A. Holman & Co., Inc.) $350,000

Deluxe Aluminum Products, Inc.________Debentures
(R. A. Holman & Co., Inc.) $330,000

Gulf-Tex Development, Inc.__________________Common
(Myron A. Lomasney & Co.) $1,250,000

July 26 (Tuesday)

Consumers Power Co.______________________Debentures
(11:00 a.m. EDT) $38,101,600

El Paso Natural Gas Co._____________________Common
(Offering to stockholders — no underwriting) 1,140,000 shares

Southern Counties Gas Co.___________________Bonds
(Bids to be invited) $22,000,000

August 1 (Monday)

Kings Electronics Co., Inc.___________________Units
(Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co.) $800,000

National Capital Corp.______________________Common
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,200,000

Pearson Corp._______________________________Common
(R. A. Holman & Co., Inc.) 50,000 shares

August 2 (Tuesday)

Southwestern Bell Telephone Co.______Debentures
(11 a.m. EDT) $100,000,000

August 23 (Tuesday)

Michigan Bell Telephone Co.____________Debentures
(Bids to be invited) $35,000,000

Southern California Edison Co._______________Bonds
(Bids to be invited) $60,000,000

September 13 (Tuesday)

Virginia Electric & Power Co.________________Bonds
(Bids to be invited) $25,000,000

September 14 (Wednesday)

Utah Power & Light Co.__________________Debentures
(Bids to be invited) $17,000,000

Utah Power & Light Co.______________________Common
(Bids to be invited) $10,000,000

September 20 (Tuesday)

Public Service Electric & Gas Co.____________Bonds
(Bids to be invited) $50,000,000

September 27 (Tuesday)

Indianapolis Power & Light Co.______________Bonds
(11:00 a. m. N. Y. Time) $12,000,000

October 4 (Tuesday)

Alberta Gas Trunk Line Co.__________________Bonds
(No underwriting) $65,000,000

October 6 (Thursday)

Columbia Gas System, Inc.______________Debentures
(Bids to be invited) $30,000,000

October 18 (Tuesday)

Louisville Gas & Electric Co.________________Bonds
(Bids to be invited) $16,000,000

October 20 (Thursday)

Florida Power Corp.__________________________Bonds
(Bids to be invited) $25,000,000

November 3 (Thursday)

Georgia Power Co.___________________________Bonds
(Bids to be invited) $12,000,000

December 6 (Tuesday)

Northern States Power Co. (Minn.)__________Bonds
(Bids to be invited) $35,000,000

Continued from page 46

Hardy & Co. and Filor, Bullard & Smyth, both of New York.

American League Professional Football Team of Boston, Inc.
June 3 filed 120,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — For improvement of the Boston University Field, and the balance to pay organization expenses and for working capital. **Office** — 522 Commonwealth Avenue, Boston, Mass. **Underwriters**—Estabrook & Co. and F. S. Moseley & Co. both of Boston, Mass.; and Tucker, Anthony & R. L. Day and White, Weld & Co. both of New York City. **Offering**—Expected sometime in July.

American Mortgage Investment Corp.
April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

● **American Penn Life Insurance Co.**
March 30 filed registration of 127,500 shares of capital stock (par $10) being offered for subscription by stockholders of record on April 28, 1960 with rights to expire on July 11 at 3:30 p.m. (EDST). Subscription rate on 105,000 shares of the stock will be three additional shares for each one share held. Of the remaining 22,500 shares the offering will be on the basis of nine shares for each 14 shares held, and all unsold shares of this block will be offered under warrants granted in accordance with the company's Agent's Stock Option Plan. **Price**—$28 per share. **Proceeds** — To increase capital and surplus. **Office**—203 S. 15th St., Philadelphia, Pa. **Underwriter**—None.

● **American Rubber & Plastics Corp. (6/27-7/1)**
May 11 filed 200,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — La Porte, Ind. **Underwriter** — Hornblower & Weeks, New York City.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per share. **Proceeds**—To pay off mortgages, develop and improve properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

American Stereophonic Corp.
April 11 (letter of notification) 50,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—17 W. 60th St., New York, N. Y. **Underwriter**—D. H. Victor & Co., Inc., New York, N. Y. **Offering**—Imminent.

American Sterilizer Co. (7/5-8)
May 20 filed 150,000 shares of common stock (par $3.33⅓). **Price**—To be supplied by amendment. **Proceeds**—Of the net proceeds from the sale, approximately $600,000 will be available to AMSCO Laboratories, Inc., a wholly-owned subsidiary, as an additional advance for the completion of a new manufacturing plant. The balance will be used to reduce short-term bank borrowings and for additional working capital. **Underwriters**—Glore, Forgan & Co., New York and Fulton, Reid & Co., Inc., Cleveland, Ohio.

Arco Electronics, Inc. (7/5-8)
May 10 filed 140,000 shares of class A common stock. **Price** — To be supplied by amendment. **Proceeds** — $350,000 for general corporate purposes and the balance for working capital. **Office**—New York City. **Underwriter**—Michael G. Kletz & Co., Inc., New York City.

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Arden Farms Co.
May 13 filed $4,000,000 of 6% subordinate debentures, series due July 1, 1990 (convertible), 44,278 shares of preferred stock, and 149,511 shares of common stock. The debentures are to be offered for public sale at 100% of their principal amount. The company proposes to offer the preferred shares and common shares initially through subscription warrants. The holders of outstanding preferred stock will be entitled to purchase the new preferred at the rate of one new share for each ten shares held. Common stockholders will be entitled to purchase the additional common shares at the rate of one new share for each ten shares held. The record date is to be the effective date of the registration statements. **Office**—1900 West Slauson Ave., Los Angeles, Calif.

★ **Arkansas Valley Industries, Inc.**
June 9, 1960, filed $600,0000 of 6% convertible subordinated sinking fund debentures and 30,000 shares of common stock, $3 par. $200,000 of the debentures will be issued to Arkansas Valley Feed Mills, Inc.; the remainder of the registration will be publicly offered. **Price** —To be supplied by amendment. **Proceeds** — To retire current bank loans and increase working capital. **Office** —Dardanelle, Ark. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo.

Arkansas Western Gas Co. (6/27-7/1)
May 13 filed 50,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—Together with $1,500,000 to be received from a contemplated private placement of debentures, will be used to retire some $1,000,000 of term bank notes and to defray all or a portion of the cost of the company's anticipated 1960 program of property additions and improvements. **Office** — 28 East Center St., Fayetteville, Ark. **Underwriters**—Snow, Sweeney & Co. Incorporated, New York, and A. C. Allyn & Co., Inc., Chicago, Ill.

Arnoux Corp.
May 23 filed 133,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—11924 W. Washington Blvd., Los Angeles, Calif. **Underwriter**—Shearson, Hammill & Co., New York. **Offering** — Expected sometime in July.

Associated Testing Laboratories, Inc. (7/5-8)
May 25 filed 75,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds** —To retire $100,000 of short-term bank loans, to provide additional facilities and equipment for plants at Wayne, N. J., and Winter Park, Fla., and the balance will be added to working capital. **Office**—Clinton Road, Caldwell, N. J. **Underwriter**—Drexel & Co., New York and Philadelphia.

Astrotherm Corp. (7/18-22)
May 24 filed $308,000 of 8% subordinated convertible debentures, due July 1970, 154,000 shares of common stock, and 46,200 common stock purchase warrants. The company proposes to offer these securities in units, each unit to consist of $100 of principal amount of debentures, 50 common shares, and 15 warrants exercisable initially at $2 per share. **Price**—$200 per unit. **Proceeds**—To repay loans, purchase new equipment and the balance for working capital. **Office**—Indianapolis, Ind. **Underwriters** —Ross, Lyon & Co., Inc., Globus, Inc., and Harold C. Shore & Co., all of New York City.

Atlas Bowling Centers, Inc. (6/27)
May 2 filed 100,000 shares of class A common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds** — For additional working capital. **Office** — 255 Huntington Avenue, Boston, Mass. **Underwriter**—Keller & Co., Boston, Mass.

Automatic Cafeterias for Industry, Inc. (6/27-7/1)
May 31 (letter of notification) 42,200 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—Dover, County of Kent, Del. **Underwriter** — Richard Gray Co., New York, N. Y.

● **Aviation Employees Corporation (7/11-15)**
Feb. 8 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Proceeds**—Together with other funds, will be invested in the shares of the company's three subsidiaries; for general corporate purposes; and the remaining balance will be used from time to time for the purchase of all or a substantial interest in or the formation of one or more other companies engaged in the business of insurance or finance or to further supplement the funds of the three subsidiaries. **Office**—930 Tower Bldg., Washington, D. C. **Underwriters**—G. J. Mitchell Jr. Co., Washington, D. C., has withdrawn as underwriter. New underwriter is Sterling, Grace & Co., New York City.

Basic, Inc. (7/15)
May 26 filed 123,808 outstanding shares of common stock, of which 81,161 shares are institutionally held. All shares result from conversion of convertible preference shares placed in 1958. **Price**—Related to the current market price on the American Stock Exchange at time of offering. **Proceeds** — To selling stockholders. **Office**—845 Hanna Building, Cleveland, Ohio. **Underwriter**—The First Boston Corp., New York.

Bausch & Lomb Inc. (6/28-7/13)
May 19 filed $6,657,900 of convertible subordinated debentures due 1980. It is proposed that these debentures will be offered for subscription by common stockholders at the rate of $100 principal amount of debentures for each 13 common shares held. **Price**—To be supplied by amendment. **Proceeds**—About $5,000,000 will be used to construct new facilities in Rochester and the balance will be used for working capital and other corporate purposes. **Office** — 63 St. Paul Street, Rochester, N. Y. **Underwriter**—Stone & Webster Securities Corp., New York.

● **Bevis Shell Homes, Inc. (6/27-7/1)**
March 30 filed $1,600,000 of 9% subordinated sinking fund debentures due 1985 and 1,000,000 shares of common stock, to be offered for public sale in units (200,000), at $15.50 per unit, each unit to consist of five common shares, one $8 par debenture, and warrants for the purchase of two additional units of one common share and one $8 debenture at $9.50 per unit. **Proceeds**—$2,000,000 will be used to increase the company's holdings of mortgages placed on the shell homes it sells; and $1,600,000 to be used to increase its holding of mortgages will be placed in escrow for that purpose; and the balance for general corporate purposes. **Office**—Tampa, Fla. **Underwriters**—G. H. Walker & Co., New York City and Beil & Hough, Inc. of St. Petersburg, Fla., as comanagers.

● **Birtcher Corp. (6/20)**
March 29 filed $500,000 of 6% convertible subordinated debentures, due April 30, 1975. **Price**—At par. **Proceeds** —To pay bank loans incurred to augment working capital. **Office** — Los Angeles, Calif. **Underwriter** — Quincy Cass Associates, Los Angeles, Calif.

Brockway Glass Co., Inc. (7/11-15)
May 19 filed 162,000 shares of common stock (par $5), of which 32,000 shares are now outstanding and are to be offered for public sale by the present holders thereof and 130,000 shares are to be offered by the issuing company. **Price**—To be supplied by amendment. **Proceeds**—To be applied toward the cost of building and equipping a new glass container plant at Rosemount, Minn., near St. Paul and Minneapolis, estimated at $5,750,000. The balance of the cost of the plant will be paid from the company's funds. **Office**—1200 Wood Street, Brockway, Pa. **Underwriters** — Lehman Brothers and Blyth & Co., Inc., both of New York.

● **Brook Labs. Co., Inc. (6/27-7/1)**
May 31 (letter of notification) 108,000 shares of common stock (par 10 cents) of which 28,000 shares are being sold for selling stockholders. **Price** — $2.75 per share. **Proceeds**—For general corporate purposes. **Office**—650 Lincoln Place, Brooklyn 16, N. Y. **Underwriters**—Sandkuhl & Company, Inc., New York City and Newark, N. J. and J. J. Magaril Co., 37 Wall St., New York, N. Y.

Bruce National Enterprises, Inc. (6/22)
April 29 filed 335,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For reduction of outstanding indebtedness; to pay off mortgages on certain property; for working capital and other corporate purposes. **Office**—1118 N. E. 3rd Avenue, Miami, Fla. **Underwriter** — George O'Neill & Co., Inc., New York.

● **Buzzards Bay Gas Co., Hyannis, Mass. (7/5)**
June 7 filed 27,000 outstanding shares of common stock, to be offered for sale by American Business Associates. **Price** — To be supplied by amendment. **Underwriter**—Coffin & Burr, Inc., Boston, Mass.

Byer-Rolnick Hat Corp.
May 9 filed 100,000 outstanding shares of common stock. **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—601 Marion Drive, Garland, Tex. **Underwriters** — Dallas Rupe & Son, Inc., Dallas, Texas and Straus, Blosser & McDowell, Chicago, Ill. **Note**—This offering has temporarily been postponed.

C. F. C. Funding Inc. (6/27)
May 6 (letter of notification) 75,000 shares of common stock (par 10 cents), **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—90 Broad St., New York 4, N. Y. **Underwriter**—Darius Inc., New York, N. Y.

● **Cabana Pools, Inc. (6/20-24)**
March 31 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 640 Fifth Avenue, New York, N. Y. **Underwriter** — Mandell & Kahn, Inc., Time-Life Building, Rockefeller Center, New York, N. Y.

Capital Shares Inc., San Francisco, Calif.
May 3 filed 1,100,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To increase capital and surplus and for working capital. **Underwriter**—None.

Cellomatic Battery Corp. (6/27-7/1)
May 20 (letter of notification) $270,000 of 6% guaranteed 5-year convertible notes and 6,000 shares of common stock (par 10 cents) to be offered in units consisting of a $90 note and two shares of common stock. **Price** —$100 per unit. **Proceeds**—For working capital. **Office**—300 Delaware St., Archibald, Pa. **Underwriter**—Willis E. Burnside & Co., Inc., New York, N. Y.

Central Illinois Electric & Gas Co. (7/1)
June 1 filed $10,000,000 of first mortgage bonds series due 1990. **Proceeds**—To be used to provide a portion of the funds required for present and contemplated construction program of the company and to provide for the payment of some $5,000,000 of bank loans incurred or to be incurred for such purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., Kidder, Peabody & Co. Inc. and White, Weld & Co. (jointly); Blair & Co. Incorporated, Merrill Lynch, Pierce, Fenner & Smith Inc. and Stone & Webster Securities Corp. (jointly). **Bids**—Expected to be received on July 1.

Certified Credit & Thrift Corp.
Jan. 26 filed 250,000 shares of class A stock ($10 par) and 250,000 shares of class B stock (20c par), to be offered in units of one share of each class of stock. **Price** —$20.20 per unit. **Proceeds**—To pay mortgages. **Office** —Columbus, Ohio. **Underwriter**—Commonwealth Securities Corp., Columbus. **Offering**—Imminent.

● **Chemical Packaging Co., Inc. (6/20)**
March 16 (letter of notification) 115,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds** — For general corporate purposes. **Office** — 755 Utica Avenue, Brooklyn, N. Y. **Underwriters**—Mainland Securities Corp., 156 N. Franklin Street, Hempstead, N. Y. and Jeffrey-Robert Corp., 382 S. Oyster Bay Road, Hicksville, L. I., N. Y.

Chemo-Vive Processes, Inc. (6/20-24)
April 22 (letter of notification) 75,000 shares of class A common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To purchase machinery and equipment and the balance for working capital. **Office** — 609-11 Fourth Avenue, Juniata, Altoona, Pa. **Underwriter** — General Investing Corp., New York, N. Y.

Chemtree Corp. (6/27-7/1)
April 19 (letter of notification) 262,750 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds** —For general corporate purposes. **Office**—100 W. 10th Street, Wilmington 99, Del. **Underwriter**—Havener Securities Corp., New York, N. Y.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

Cold Lake Pipe Line Co., Ltd.
Feb. 5 filed 200,000 shares of common stock. **Price**—At the market, at time of offering. **Proceeds**—For general corporate purposes. **Office**—1410 Stanley St., Montreal, Canada. **Underwriter**—Michael Fieldman, New York.

● **Columbia Technical Corp. (6/17)**
May 6 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 61-02 31st Ave., Woodside, L. I., N. Y. **Underwriters**—Diran, Norman & Co., Inc., V. S. Wickett & Co., Inc., and Cortlandt Investing Corp., New York, N. Y.

★ **Commercial Credit Co. (7/5-8)**
June 9, 1960, filed $50,000,000 of senior notes, due July 1, 1979. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—300 St. Paul Place, Baltimore, Md. **Underwriters**—First Boston Corp. and Kidder, Peabody & Co. (managing the books), both of New York City.

Commonwealth Development & Construction Co. (7/11-15)
May 24 (letter of notification) 60,000 shares of common stock (par five cents). **Price**—$5 per share. **Proceeds**—For working capital. **Office**—11th & Main Sts., Pennsburg, Pa. **Underwriters**—Vickers, Christy & Co., Inc., 15 William St., New York, N. Y. and First City Securities, Inc., New York, N. Y.

Compressed Concrete Construction Corp. (6/27-7/1)
May 9 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 313 W. Jericho Turnpike, Huntington, L. I., N. Y. **Underwriter**—Capital Accumulation Corp., Franklin National Bank Bldg., Roosevelt Field, Garden City, N. Y.

Conetta Manufacturing Co., Inc. (7/11-15)
June 3 filed 125,000 shares of class A common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes including the reduction of indebtedness, the purchase of machinery and equipment, and for working capital. **Office**—73 Sunnyside Ave., Stamford, Conn. **Underwriter** — Pearson, Murphy & Co., Inc., New York City.

Connecticut & Chesapeake, Inc.
April 29 filed $585,000 of 4½% promissory notes and 2,250 shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of $260 of notes and one share of stock, provided that the minimum purchase shall be 10 units for a minimum consideration of $3,600 ($2,600 of notes and 10 shares of stock). **Price**—$360 per unit. **Proceeds**—For repayment of certain advances made to the company. **Office**—724-14th Street, N. W., Washington, D. C. **Underwriter**—Shannon & Luchs Securities Corp.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Consolidated Research & Manufacturing Corp. (7/11-15)
May 27 filed 50,000 shares of class A and 50,000 shares of class B stock (par 10 cents). The company proposes to offer these shares in units of one share of each class. **Price**—$6.50 per unit. **Proceeds**—For equipment, sales expansion, increased advertising and marketing program budget, and working capital and general expansion. **Office** — 1184 Chapel Street, New Haven, Conn. **Underwriter**—Bertner Bros., New York.

Constellation Life Insurance Co.
March 29 filed 1,350,000 shares of common stock, of which 350,000 shares will be reserved for stock options, 150,000 shares will be offered to holders of the outstanding common on a "first-come-first-served" basis at $3.25 per share, and 850,000 shares will be publicly offered. **Price**—$3.50 per share. **Proceeds**—To general funds. **Office** — Norfolk, Va. **Underwriter** — Willis, Kenny & Ayres, Inc., Richmond, Va.

★ Consumers Power Co. (7/26)
June 15, 1960, filed $38,101,600 of convertible debentures, due 1975, to be offered for subscription by holders of record July 26, at the rate of $100 of debentures for each 25 shares of stock then held with rights to expire on Aug. 12. **Price**—100% of principal amount. **Proceeds**—For the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp. and Harriman Ripley & Co. (jointly); Kuhn, Loeb & Co. and Ladenburg, Thalmann & Co. (jointly). **Bids**—Expected to be received on July 26 at 11:00 a.m. (New York Time)

● Continental Capital Corp. (6/20-24)
April 19 filed 235,000 shares of capital stock (par $10). **Price**—$14 per share. **Proceeds**—For investment in small business concerns, and to the extent necessary may use a portion thereof to retire its outstanding subordinated debenture in the amount of $150,000 held by the Small Business Administration. **Office** — 120 Montgomery Street, San Francisco, Calif. **Underwriter** — McDonnell & Co., Inc., New York.

● Control Data Corp. (7/5-8)
June 2 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To repay $1,-500,000 of bank loans and the balance to be used for working capital and general corporate purposes. **Office**—501 Park Avenue, Minneapolis, Minn. **Underwriter**—Dean Witter & Co. of Minneapolis, Minn. and New York City.

Cosmopolitan Insurance Co.
March 30 (letter of notification) 58,000 shares of capital stock (Par $1). **Price** — $5 per share. **Proceeds** — For general corporate purposes. **Office**—4620 N. Sheridan Road, Chicago, Ill. **Underwriter**—Link, Gorman, Peck & Co., Chicago, Ill.

Country Club Corp. of America
April 29 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For repayment of outstanding debt, including payment of mortgages, taxes, notes, and miscellaneous accounts payable; for general corporate purposes and construction of new facilities. **Office** — 1737 H. Street, N. W., Washington, D. C. **Underwriter**—A. J. Gabriel Co., Inc., New York.

★ Cubic Corp. (7/18-22)
June 8, 1960, filed 50,000 shares of capital stock, of which 25,000 shares are being offered for the account of the company, and 25,000 shares for the account of selling stockholders. **Price**—At-the-market at time of offering. **Proceeds**—For additional working capital. **Office**—5575 Kearney Villa Road, San Diego 11, Calif. **Underwriter**—Hayden, Stone & Co., New York City.

● Custom Craft Marine Co., Inc. (7/18-22)
March 28 (letter of notification) 85,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—1700 Niagara Street, Buffalo, N. Y. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

Dalto Corp. (7/1)
March 29 filed 134,739 shares of common stock, to be offered for subscription by holders of such stock of record May 2 at the rate of one new share for each two shares then held. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—None.

Dart Drug Corp.
March 30 filed 200,000 shares of class A common stock, of which 170,000 shares are to be offered for public sale on behalf of the issuing company and 30,000 shares, being outstanding stock, on behalf of the present holders thereof. **Price**—$5 per share. **Proceeds**—For repayment of corporate indebtedness and for working capital. **Office**—5458 Third St., N. E., Washington, D. C. **Underwriter**—Hodgdon & Co., Washington, D. C. **Offering**—Expected sometime in June.

Deluxe Aluminum Products, Inc. (7/25-29)
Oct. 15 filed $330,000 of convertible debentures, and 70,-000 shares of common stock. **Price**—For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. **Office**—6810 S. W. 81st St., Miami, Fla. **Underwriter**— R. A. Holman & Co., Inc.

Detroit Tractor, Ltd.
May 26 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

● Development Credit Corp. of Maryland (6/20-24)
March 29 filed 2,000,000 shares of common stock. **Price**—$1.10 per share. **Proceeds** — For general corporate purposes. **Office**—22 Light St., Baltimore, Md. **Underwriter**—None.

Diversified Communities, Inc.
Sept. 25 filed 367,200 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For acquisition of Hope Homes, Inc., Browntown Water Co. and Cantor & Goldman Builders, Inc., with the balance to be used as working capital. **Office**—29A Sayre Woods Shopping Center, Madison Township, P. O. Parlin, N. J. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Postponed.

Diversified Realty Investment Co.
April 26 filed 250,000 shares of common stock. **Price**—$5 per share (par 50 cents). **Proceeds** — For additional working capital. **Office**—919 18th Street, N. W., Washington, D. C. **Underwriter**—Ball, Pablo & Co., Washington, D. C.

● Doak Pharmacal, Inc. (6/17-24)
April 28 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—99 Park Avenue, New York, N. Y. **Underwriter**—Ross Securities, Inc., 99 Wall Street, New York 5, N. Y.

Drug Associates, Inc.
May 6 (letter of notification) 100 units of $100,000 of 7% sinking fund debenture bonds and 10,000 shares of common stock (par $1) to be offered in units consisting of one $1,000 debenture and 100 shares of common stock. **Price**—$1,100 per unit. **Proceeds**—For general corporate purposes. **Office**—1238 Corlies Ave., Neptune, N. J. **Underwriter**—Fidelity Securities & Investment Co., Inc., Asbury Park, N. J. **Offering**—Imminent.

★ Drug Fair-Community Drug Co., Inc. (7/11-15)
June 10, 1960, filed $500,000 of subordinated sinking fund debentures, due Sept. 15, 1975, with attached warrants for the purchase of 25,000 shares of common stock A, $1 par, and 150,000 additional shares of said stock. These debentures and warrants will be offered in units consisting of a $500 debenture and a warrant for the purchase of 25 shares of stock. **Price**—$500 per unit, with the price of the stock to be supplied by amendment. **Proceeds**—Of the stock issue, the proceeds from the sale of 50,000 shares will go to selling stockholders. The proceeds from the remainder of the registration will be added to the issuer's working capital and, together with other funds, will be used to repay indebtedness and to open 15 new stores in 1960-61. **Office**—1200 South Eads St., Arlington, Va. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Durox of Minnesota, Inc.
April 11 filed $650,000 of 7% first mortgage bonds and 120,000 shares of common stock (par $1). The offering will be made in units of one bond ($100 principal amount) and 20 shares of common stock or one unit of 50 bonds at principal amount plus accrued interest. **Price**—To be supplied by amendment. **Proceeds**—For additional plant and equipment and to provide working capital to commence and maintain production. **Office** — 414 Pioneer Bldg., St. Paul, Minn. **Underwriters**—Irving J. Rice & Co., Inc., St. Paul, Minn. and M. H. Bishop & Co., Minneapolis, Minn.

Dymo Industries, Inc.
April 11 filed 150,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—Approximately $200,000 of the proceeds from the sale of the stock will be used for the purchase and installation of machinery and equipment in a new plant which the company is presently negotiating to lease; $400,000 will be used for the acquisition of tools, dies, jigs and fixtures; $100,000 for leasehold improvements; and the balance for working capital. **Office**—2546 Tenth St., Berkeley, Calif. **Underwriter** — William R. Staats & Co., Los Angeles, California.

● Dynamic Films, Inc.
March 29 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 405 Park Avenue, New York, N. Y. **Underwriter**—Morris Cohon & Co., New York, N. Y. **Offering**—Imminent.

● Dynatron Electronics Corp.
April 29 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—178 Herricks Road, Mineola, N. Y. **Underwriter**—General Securities Co., Inc., New York, N. Y. **Note**—The underwriter states that this statement is to be withdrawn.

● E. S. C. Electronics Corp. (7/5-8)
May 17 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office** — 534 Bergen Boulevard, Palisades Park, N. J. **Underwriter**—Laird, Bissell & Meeds, New York, N. Y.

★ Eddie Senz, Make-Up Artist to the Stars, Inc.
June 7 (letter of notification) 198,000 shares of class A common stock (par one cent). **Price**—$1.50 per share. **Proceeds** — For general corporate purposes. **Office** — Room 200, 160 Broadway, New York, N. Y. **Underwriter**—None.

Edgerton, Germeshausen & Grier, Inc. (6/27-7/1)
May 5 filed 120,000 shares of common stock (par $1) of which 20,000 shares are now outstanding and are to be offered for public sale by the holders thereof and 100,-000 shares are to be offered by the company. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — 160 Brookline Ave., Boston, Mass. **Underwriter**—Kidder, Peabody & Co., New York.

● Edwards Engineering Corp. (6/27-7/1)
April 8 filed 85,000 shares of common stock of which 70,000 shares are to be offered for the account of the issuing company and 15,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes including salaries, sales promotion, moving expenses, and research and development work. **Office**—715 Camp Street, New Orleans, La. **Underwriter**—Sandkuhl & Company, Inc., New York City and Newark, N. J.

● Elco Corp. (6/17)
April 22 filed $1,000,000 of 6% convertible subordinated debentures due May 15, 1975, 82,065 common stock purchase warrants, and 87,809 shares of common stock reserved against the exercise of the warrants. **Price**—100% of principal amount plus accrued interest from May 15, 1960. **Proceeds**—For retirement of the company's indebtedness to The First Pennsylvania Banking & Trust Co., and for the purchase of machinery and equipment. **Location**—"M" Street below Erie Avenue, Philadelphia, Pa. **Underwriter**—S. D. Fuller & Co., New York.

Electrada Corp. (6/21)
March 29 filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For acquisitions, debt reduction, and other corporate purposes. **Office**—9744 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Bache & Co., New York.

Electronic Specialty Co.
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriters**—Reynolds & Co., Inc., of New York, and Bateman, Eichler & Co. of Los Angeles, Calif. **Offering**—Expected in early August.

● Equitable Leasing Corp. (6/27-7/1)
May 9 (letter of notification) 50,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—246 Charlotte St., Asheville, N. C. **Underwriter**—Courts & Co., Atlanta, Ga.

Espey Mfg. & Electronics Corp. (6/27-7/1)
April 29 filed 80,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Saratoga Springs, N. Y. **Underwriter** — Sutro Bros. & Co., New York.

Fairmount Finance Co. (6/20-24)
May 6 (letter of notification) 58,000 shares of class A common stock (par $5). **Price**—At par ($5 per share). **Proceeds**—For working capital. **Office**—5715 Sheriff Road, Fairmount Heights, Md. **Underwriter**—J. T. Patterson & Co., Inc., 40 Exchange Place, New York, N. Y.

● Family Fund Life Insurance Co.
March 30 filed 116,800 shares of common stock, being offered for subscription by stockholders at the rate of one new share for each 5 shares held of record June 4, with rights to expire on June 17 at 3:30 p.m. EDT. **Price**—$9 per share; unsubscribed shares at $10.25 per share. **Proceeds**—To increase capital and surplus and expand the business. **Office**—1515 Spring St., N. W., Atlanta, Ga. **Underwriter**—J. H. Hilsman & Co., Inc., Atlanta, Ga. **Note**—This statement was effective June 6.

Farmers' Educational & Cooperative Union of America
March 29 filed $2,500,000 of registered debentures, series D, maturing from 1969 to 1980. **Price**—To be offered in units of $100. **Proceeds**—To pay notes maturing before Dec. 31, 1963, with $1,107,000 to be contributed to surplus or loaned to subsidiaries. **Office**—Denver, Colo. **Underwriter**—None.

Farrington Manufacturing Co. (6/20-24)
March 25 filed $6,000,000 of subordinated convertible debentures due 1970. **Price**—To be supplied by amendment. **Proceeds**—$2,000,000 to be applied to the payment of bank loans; $2,800,000 to the scanner program in 1960, including (a) $1,000,000 for expenditures by Farrington Electronics, Inc., a newly-formed date processing subsidiary, for inventory, 250,000 to purchase and test equipment for producting scanners and $250,000 as working capital; and (b) $1,300,000 for research and development. **Office**—77 A St., Needham, Mass. **Underwriters**—Cyrus J. Lawrence & Sons, New York City; and Brawley, Cathers & Co. Toronto, Ontario, Canada.

● Faultless Caster Corp. (7/5-8)
May 13 filed 250,000 shares of common stock (par $1), of which 200,000 shares are to be offered for the account of the present holders thereof and 50,000 shares are to be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Proceeds**—$300,000 will be used to purchase new presses and other production equipment and the remainder will be used as working capital. **Office**—1421 North Garvin St., Evansville, Ind. **Underwriter** — Hayden, Stone & Co., New York City (managing).

● Federal Steel Corp. (6/20-24)
March 30 (letter of notification) 59,000 shares of common stock (no par). **Price**—$5 per share. **Proceeds**—For an expansion program. **Office**—3327 Elkton Ave., Dayton 3, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio.

● Federated Electronics, Inc. (6/27-7/1)
April 25 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—139-14 Jamaica Avenue, Jamaica, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y.

● Figurette, Ltd. (6/27-7/1)
March 3 filed 100,000 shares of class A common stock, (par 50 cents) **Price**—$6 per share. **Proceeds**—For general corporate purposes. **Office**—514 N. E. 79th Street, Miami, Fla. **Underwriter**—Myron A. Lomasney & Co., New York.

Finger Lakes Racing Association, Inc.
Dec. 28 filed $4,500,000 of 20-year 6% subordinated sinking fund debentures due 1980 and 450,000 shares of class A stock (par $5) to be offered in units, each consisting of $100 of debentures and 10 shares of class A stock. **Price**—$155 per unit. **Proceeds**—For purchase of land and the cost of construction of racing plant as well as other organizational and miscellaneous expenses. **Office**—142 Pierrepont Street, Brooklyn, N. Y. **Underwriter**—Stroud & Co., Inc., New York and Philadelphia. **Offering**—Delayed.

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First National Realty & Construction Corp. (6/20-24)
April 25 filed 150,000 shares of cumulative convertible preferred stock first series, $8 par, redeemable by the company on or after May 15, 1963 at $10 per share, and 150,000 shares of common stock (par 10 cents). It is proposed that these securities will be offered in units, each unit consisting of one share of preferred and one share of common. **Price**—To be supplied by amendment. **Proceeds**—$257,000 will be used to repay loans made by an officer and director of the company and a corporation controlled by him to provide funds for apartment house construction; about $500,000 will be used for the repayment of a portion of bank notes; and the balance will be added to working capital for use in the acquisition of new properties and for the company's construction program. **Office** — 630 Third Avenue, New York. **Underwriter**—H. Hentz & Co., New York.

● **Florida Builders, Inc.**
Mar. 30 filed 80,000 shares common stock (par $1). **Price** —To be supplied by amendment. **Proceeds**—Between $200,000 and $250,000 will be used to establish or acquire a Federal Housing Administration approved mortgage financing and service company; $200,000 will be used to pay off bank loans; and the balance for working capital. **Office**—700 43rd St. South, St. Petersburg, Fla. **Underwriter**—Jaffee & Co., New York. **Note**—The underwriter states that this statement has been withdrawn.

★ **Florida Capital Corp.**
June 9, 1960, filed 500,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To finance the issuer's investments in small business concerns, which will be engaged in land development or electronics. **Office** — 1201 Harvey Bldg., West Palm Beach, Fla. **Underwriter**—A. C. Allyn & Co., Inc., Chicago, Ill. **Offering**—Expected sometime in mid-July.

Florida Home Insurance Co.
March 30 filed 17,500 shares of common stock to be offered to holders of the company's 85,995 outstanding common shares at the rate of one share for each five shares held. Unsubscribed shares will be offered to employees and officers of the company who are stockholders without further offering of such unsubscribed shares to other stockholders of the company. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds to be held in cash or invested in securities. **Office** — 1335 Biscayne Blvd., Miami, Fla. **Underwriter**—None.

Ford Electronics Corp.
May 25 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To purchase tooling, a 20% interest in Arizona Biochemical Corp. and for working capital. **Office**—c/o John N. Valianos, 4465 Petit Avenue, Encino, Calif. **Underwriter**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif.

● **Foto-Video Electronics Corp.**
April 26 filed 125,000 shares of class B stock. **Price**—$4 per share. **Proceeds**—$100,000 for research and development, $200,000 for working capital, and the balance for sales promotion expenses. **Office** — Cedar Grove, N. J. **Underwriter**—D. F. Bernheimer & Co., Inc., New York City. **Offering**—Expected in mid-July.

Franklin Corp. (6/27-7/1)
April 26 filed 1,000,000 shares of common stock (par value $1). **Price**—$10 per share. **Proceeds**—For investment. **Office** — 9 2 5 Hempstead Turnpike, Franklin Square, New York. **Underwriter**—Blair & Co. Incorporated, New York.

● **Friendly Frost, Inc. (6/20-24)**
April 5 filed 150,000 shares common stock (par 10c). An additional 96,500 shares included in the registration statement are reserved for the company's Employees' Stock Option Plan. **Price**—$7.50 per share. **Proceeds**—For repayment of bank loans, for company's expansion program, and the balance for working capital. **Office**—123 Frost Street, Westbury, L. I., N. Y. **Underwriter**—None.

Futterman Corp. (7/5-8)
April 1 filed 660,000 shares of class A stock. **Price**—To be supplied by amendment. **Proceeds**—For acquisition of properties. **Office**—580 Fifth Avenue, New York. **Underwriter**—Reynolds & Co., New York.

Garrett Corp. (6/27-7/1)
May 5 filed 100,000 shares of common stock (par $2). **Price**—To be supplied by amendment. **Proceeds**—To reduce presently outstanding indebtedness. **Office**—9851 Sepulveda Blvd., Los Angeles, Calif. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Gem International, Inc. (6/27-7/1)
Mar. 29 filed 150,000 shares common stock (par $1). **Price** —To be supplied by amendment. **Proceeds**—$125,000 to open, furnish and equip the new Wichita store being built for the company by others; $75,000 to open, furnish and equip the second store in St. Louis, similarly being built by others; $128,600 to purchase the assets of Embee, Inc., and Garrol, Inc., who now hold the basic lease on the premises used by the Kansas City operating company and who sublease the premises to that company; $208,000 for advance to the Honolulu subsidiary to enable it to purchase the assets of Honden, Ltd., Honla Ltd., and Dacat, Ltd., which now hold the basic leases on the store building; $105,000 for advance to Gem Stores, Inc., and Gem of St. Louis, Inc., to enable those corporations to repay loans; and the balance for general corporate purposes and as needed to expand existing facilities and to establish new locations. **Office**—418 Empire Building, Denver, Colo. **Underwriters** — Bosworth, Sullivan & Co., Inc., Denver, Colo.; and Scherck, Richter Co., St. Louis, Mo.

● **General Atronics Corp. (6/27-7/1)**
March 18 filed 155,660 shares of common stock. **Price** —$3.50 per share. **Proceeds**—$60,000 for additional laboratory and production equipment, $80,000 for additional developmental engineering and sales promotion of materials handling equipment, $80,000 for investment in Atronic Learnings Systems, Inc., $93,000 for repayment of bank loans, and $157,859 for working capital. **Office** — Bala-Cynwyd, Pa. **Underwriter** — Harrison & Co., Philadelphia, Pa.

General Drive-In Corp. (6/20-24)
April 29 filed 180,000 shares of common stock (no par) of which 50,000 shares will be offered for public sale by the company and 130,000 are outstanding and will be offered by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—480 Boylston St., Boston, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston and New York.

● **General Meters, Inc.**
May 11 (letter of notification) 104,703 shares of common stock (par $1) to be offered for subscription by stockholders of record for a seven day period on the basis of ¾ of a share for each share held. **Price**—$1.50 per share. **Proceeds**—For construction, purchase of equipment and working capital. **Office**—287-27 Road, Grand Junction, Colo. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colo. **Offering**—Imminent.

● **General Sales Corp. (7/5-8)**
April 28 filed 90,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$75,000 will be used for additional working capital, inventories and facilities for the Portland Discount Center; $75,000 for the same purposes in the Salem Center; and $50,000 to provide working capital for General Sales Acceptance Corp. for credit sales to member customers. The balance of the proceeds will be used to open two new stores in Oregon and Idaho. **Office** — 1105 N. E. Broadway, Portland, Ore. **Underwriter** — Fennekohl & Co., Inc., New York.

Glass Magic Boats, Inc. (7/11-15)
Dec. 30 (letter of notification) $51,000 of six-year 6½% convertible debentures to be offered in denominations of $51 each. Debentures are convertible into common stock at $1.50 per share. Also, 68,000 shares of common stock (par 10 cents) to be offered in units of one $51 debenture and 68 shares of common stock. **Price**—Of debentures, at par; of stock, $102 per unit. **Proceeds**—To pay off current accounts payable; purchase of raw materials and for expansion. **Office** — 2730 Ludelle Street, Fort Worth, Texas. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Note**—The name has been changed from Glass Magic, Inc.

Glass Marine Industries, Inc.
April 25 filed 200,000 shares of class A stock and 100,000 shares of common stock. The class A stock is to be offered at $2.25 per share and the common at 75 cents per share; and the class A and common shares are to be offered in units consisting of two class A and one common. **Price**—$5.25 per unit. **Proceeds**—To develop the necessary production facilities to produce the company's boats. **Office**—Humboldt, Iowa. **Underwriters**—Leason & Co., Inc., Chicago, Ill.; William B. Robinson & Co., Corsicana, Texas; and Bala William & Co., Wichita Falls, Texas.

Goelet Corp. (6/27-7/1)
March 1 filed $700,000 of 8% subordinated Installment debentures, due in March, 1970, 70,000 shares of common stock (10 cents par) and 35,000 common stock purchase warrants (exercisable at $4.30 per share until May 15, 1965), to be offered in units consisting of $100 of debentures, 10 common shares, and five warrants. **Price** —$143 per unit. **Proceeds**—To be applied toward the company's general business activities. **Office**—292 Madison Avenue, New York. **Underwriters**—Ross, Lyon & Co., Inc. and Globus, Inc., both of New York.

● **Great American Realty Corp. (6/20)**
April 8 filed $2,000,000 of 7% convertible debentures due July 1, 1975, together with 110,000 shares of outstanding class A stock. **Price**—For debentures, at 100% of principal amount. **Proceeds**—For additional working capital. **Office**—15 William St., New York. **Underwriter** —For debentures, Louis L. Rogers Co., 15 William St., New York City and Hilton Securities, Inc., 580 5th Ave., New York City.

Greenbelt Consumer Services, Inc.
April 28 filed 40,000 shares of series A common stock and 160,000 shares of series B common stock. **Price**—$10 per share. **Proceeds**—$400,000 will be used in payment of bank loans made in January to finance the purchase of equipment for two new supermarkets which are planned to be opened in May and June, 1960. Approximately $200,000 will be used for the purchase of inventory for the two new stores. The company contemplates opening four additional supermarkets within the next two and one-half years. Approximately $1,200,000 of the proceeds of the offering will be used to finance the purchase of equipment and inventory for such stores. The balance of approximately $182,000 will be added to general working capital. **Office**—10501 Rhode Island Ave., Beltsville, Md. **Underwriter**—None. **Offering**—Expected in July.

Gross Furnace Manufacturing Co., Inc.
March 30 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Proceeds** — For advertising, equipment and working capital. **Office**—c/o Joseph J. Gross, 2411 Sunnybrook Road, Richmond, Va. **Underwriter**—Maryland Securities Co., Inc., Baltimore, Md.

Guardian Central Trust, Inc.
June 3 filed 484,862 shares of common stock, of which 200,000 shares are to be publicly offered, and the remaining shares are reserved for the acquisition of the stock of Guardian Discount Co. **Price**—$6 per share. **Proceeds**—From the public offering, to be invested in Guardian Discount Co. **Office**—1415 Union Avenue, Memphis, Tenn. **Underwriter**—James N. Reddoch & Co., Memphis, Tenn.

Gulf Power Co. (7/7)
May 27 filed $5,000,000 of first mortgage bonds, due 1990. **Proceeds**—Together with other funds, will be used for property additions and improvements and for payment of $3,092,800 of bank loans. **Office**—75 North Pace Boulevard, Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; The First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Eastman Dillon, Union Securities & Co. **Information Meeting**—Scheduled for July 5, 1960 at 3:30 p.m. New York Time, at the office of the Chase Manhattan Bank, Room 238, 43 Exchange Place, New York City. **Bids**—Expected to be received at the office of Southern Services, Inc., Room 1600, 250 Park Avenue, New York 17, N. Y., before 11 a.m., New York Time on July 7, 1960.

Gulf Power Co. (7/7)
May 27 filed 50,000 shares of cumulative preferred stock (par $100). **Proceeds**—Together with other funds, will be used for property additions and improvements and for payment of $3,092,800 of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Harriman Ripley & Co., Incorporated; Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Information Meeting**—Scheduled for July 5, 1960 at 3:30 p.m. New York Time, at the office of The Chase Manhattan Bank, Room 238, 43 Exchange Place, New York City. **Bids**—Expected to be received at the office of Southern Services, Inc., Room 1600, 250 Park Avenue, New York 17, N. Y., before 11 a.m., New York Time on July 7, 1960.

Gulf States Utilities Co. (6/27)
May 25 filed $17,000,000 of first mortgage bonds, series due 1990. **Proceeds**—To pay some $15,000,000 of short-term notes issued under revolving credit agreements to provide funds for construction purposes, and the balance will be used to carry forward the construction program and for other corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received on June 27 at 12 noon (EDT) at 70 Broadway, Room A, New York City. **Information Meeting**—Scheduled for June 23 at 11:00 a.m. EDT at the Hanover Bank.

● **Gulf-Tex Development, Inc. (7/25-29)**
March 30 filed 250,000 shares of common stock. **Price**—$5 per share. **Proceeds**—For purchase of Pelican Island; for improvements on said property; and for working capital and other general corporate purposes, including the general development of the property. **Office**—714 Rosenberg St., Galveston, Tex. **Underwriter**—Myron A. Lomasney & Co., New York.

Hamilton Cosco, Inc. (6/27-7/1)
May 11 filed 300,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—To members of the Hamilton family (company founders), selling stockholders. **Office** — Columbus, Ind. **Underwriters** — Smith Barney & Co. Inc., New York City, and City Securities Corp., Indianapolis, will co-manage the group.

● **Hampshire Gardens Associates (6/20-24)**
April 1 filed $376,000 of Limited Partnership Interests, to be offered in units. **Price**—$500 per unit. **Proceeds**—For purchase of the fee title to a garden type apartment community (Hampshire Gardens) consisting of 14 buildings with a total of 134 apartments in Chillum, Md. **Office**—375 Park Avenue, New York. **Underwriter**—B. C. Morton & Company, Inc., New York.

Harvey Aluminum, Inc. (6/22)
April 21 filed 750,000 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** —For expansion and working capital. **Office**—Torrance, Calif. **Underwriters**—Kuhn, Loeb & Co. and Tucker, Anthony & R. L. Day, both of New York City.

Hotel Corp. of America (6/27-7/1)
May 17 filed $1,500,000 of convertible collateral trust debentures, due July 1, 1972, secured by the common stock of the company that operates the Hotel Mayflower in Washington, D. C. and of Fred Fear & Co. **Price**—To be supplied by amendment. **Proceeds** — For expansion program. **Office**—New York City. **Underwriters**—Bache & Co. and Bear, Stearns & Co., both of New York.

Hudson Vitamin Products, Inc. (6/20-24)
April 15 filed 212,500 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—89 Seventh Ave., New York. **Underwriter** — Bear, Stearns & Co., New York.

I C Inc. (6/27-7/1)
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

Illinois Beef, L. & W. S., Inc. (6/27-7/1)
April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York, and Bruno Lenchner, Inc., Pittsburgh, Pa.

★ **Illinois Bell Telephone Co. (7/6)**
June 9, 1960, filed $50,000,000 of first mortgage bonds, series G, due 1997. **Proceeds**—For construction purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Glore, Forgan & Co. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received on July 6 up to 11 a.m. (EDST)

Illinois Bell Telephone Co.
May 12 filed 3,047,758 shares of common capital stock (par $20) being offered for subscription by stockholders of record May 27, 1960, in the ratio of one new share for each ten shares then held, with rights to expire on June 30. **Price**—$20 per share. **Proceeds**—For general corporate purposes, including property additions and improvements, and repayment of advances to American Telephone & Telegraph Co. **Office**—212 W. Washington St., Chicago, Ill. **Underwriter**—None.

● **Interstate Finance Corp. (6/21-22)**
May 11 filed 150,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—For general funds and working capital. **Office**—Evansville 8, Ind. **Underwriter**—Goldman, Sachs & Co. (managing) New York City.

Itemco, Inc. (7/5-8)
April 29 filed 200,000 shares of common stock. **Price**—$2.50 per share. **Proceeds**—For repayment of outstanding debt, for instrumentation and automation of laboratory equipment, for expansion of existing manufacturing facilities and the acquisition or establishment of additional facilities, and the balance for working capital. **Office**—18 Beechwood Avenue, Port Washington, N. Y. **Underwriters**—Morris Cohon & Company and Schrijver & Co., both of New York.

● **Kenrich Petrochemicals, Inc. (7/5-8)**
March 29 filed $175,000 of 7% convertible subordinated debentures due 1970, and 55,000 shares of class A common stock. **Price**—For debentures, 100% of principal amount; and $3.50 per class A share. **Proceeds**—$10,000 will be applied towards the repayment of demand notes, $115,000 for new plant facilities and equipment; and the balance for general corporate purposes. **Office**—120 Wall St., New York. **Underwriter**—First Philadelphia Corp., New York.

Kings Electronics Co., Inc. (8/1-5)
May 26 filed 200,000 shares of common stock (par 10 cents) and 100,000 common stock purchase warrants. The company proposes to offer these securities for public sale in units, each consisting of one share of common stock and one-half common stock purchase warrant. **Price**—$4 per unit. **Proceeds**—$165,000 will be applied to the repayment of certain loans, $75,000 for development and design work by a subsidiary in the field of infra-red instrumentation, $100,000 for continued research in the design, development and production of components for microwave instruments, and the balance for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriters** — Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co., all of New York City.

● **Laboratory for Electronics, Inc.**
April 20 filed 63,656 shares of common stock (par $1), being initially offered to its stockholders at the rate of one share for each 10 shares held of record June 9, with rights to expire on June 30 at 3:30 p.m. Boston Time. **Price**—$35 per share. **Proceeds**—For additional working capital and expansion, and the balance if any, to reduce bank loans. **Office**—1079 Commonwealth Avenue, Boston, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston and New York.

Laclede Gas Co. (7/11)
June 1 filed $10,000,000 of first mortgage bonds. **Proceeds** — Together with the proceeds from the sale of common stock, will be applied towards the repayment of bank loans incurred in connection with the company's construction program for additions to the company's working capital, to be used for construction and general corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Lehman Brothers, Merrill Lynch, Pierce, Fenner & Smith Inc. and Reinholdt & Gardner (jointly); Eastman Dillon, Union Securities & Co. **Bids**—Expected to be received on July 11 up to 11:00 a.m. EDT. **Information Meeting**—Scheduled for July 7 at 10:30 a.m. EDT at the Bankers Trust Co.

Laclede Gas Co. (7/8)
June 1 filed a maximum of 243,600 shares of common stock (par $4), to be offered to stockholders on the basis of one additional share for each 14 shares of common stock held of record at the close of business on July 8, 1960. **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds from the proposed sale of the first mortgage bonds will be applied toward repayment of bank loans incurred in connection with the company's construction program and for additions to the company's working capital, to be used for construction and other corporate purposes. **Underwriters** — Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York, and Reinholdt & Gardner, St. Louis, Mo.

Lamtex Industries, Inc. (6/27-7/1)
May 13 filed 100,000 shares of common stock. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office** — Motor Ave., Farmingdale, Long Island, N. Y. **Underwriter**—Finkle, Seskis & Wohlstetter, of N. Y. City

Lasco Industries (6/20)
April 29 (letter of notification) 150,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—To pay for a new building. **Office**—2939 S. Sunol Dr., Los Angeles, Calif. **Underwriter**—Holton, Henderson & Co., Los Angeles, Calif.

Lee Motor Products, Inc. (6/27-7/1)
May 6 filed 167,000 shares of class A common stock (par $1). **Price**—$3 per share. **Proceeds**—$150,000 will be used to repay existing obligations to banks incurred in March of 1960 to retire trade accounts and for other working capital purposes; approximately $50,000 will be used to finance expansion of warehouse facilities; and the balance of $207,000 will be added to the company's general funds and used as working capital. **Office** — 4701 Gladstone Ave., Cleveland, Ohio. **Underwriter**—Godfrey, Hamilton, Magnus & Co. Inc., New York.

● **Liberian Iron Ore Ltd. (6/28)**
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. **Price**—For units, to be supplied by amendment, and not to be in excess of par. **Proceeds**—To make loans to Lamco. **Office**—97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S. **Underwriter**—White, Weld & Co., Inc., New York.

Liberty Records, Inc.
April 1 filed 150,000 shares of common stock (par 50c). **Price**—Approximately $8.00 per share. **Proceeds**—To be added to the company's general corporate funds, substantially to meet increased demands on working capital. **Office**—6920 Sunset Boulevard, Los Angeles, Calif. **Underwriter** — Crowell, Weedon & Co., Los Angeles, Calif.

Magnasync Corp.
Feb. 26 filed 200,000 shares of capital stock. **Price** — $5 per share. **Proceeds**—To repay interim loans up to $100,000 to Taylor & Co.; $100,000 for expansion of laboratory facilities and personnel for research and development; $100,000 to increase plant production facilities; $116,000 for tooling and production of proprietary items; $110,000 for increase of inventory; $75,000 for research and development; and $2,000 for documentary stamps; $110,000 will be added to working capital; and the remaining $88,400 is unallocated. **Office**—5546 Satsuma Ave., North Hollywood, Calif. **Underwriter**—Taylor and Company, Beverly Hills, Calif.

Majestic Utilities Corp.
April 29 filed $300,000 of 6% convertible 10-year debentures, $250 face value, 30,000 shares of common stock, and options to purchase an additional 30,000 shares. It is proposed to offer these securities for public sale in units (1,200), each consisting of $250 face amount of debentures, 25 shares of common stock, and options to to purchase an additional 25 common shares. **Price**—$350 per unit. **Proceeds**—To be applied in part payment of a $250,310 bank loan and the balance to be added to working capital and used for general corporate purposes. **Office** — 1111 Stout Street, Denver, Colo. **Underwriter**—Purvis & Company, Denver, Colo. **Offering**—Expected sometime in July.

Martin-Parry Marine Corp. (6/20-24)
May 10 (letter of notification) 240,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds**—For general corporate purposes. **Office** — 415 Madison Ave., New York, N. Y. **Underwriter**—Edward H. Stern & Co., 32 Broadway, New York 32, N. Y.

★ **Maule Industries, Inc.**
June 15, 1960, filed 254,322 shares of common stock, to offered to holders of the outstanding common at the rate of one new share for each three shares held. **Price**—$7 per share. **Proceeds** — For plant and modernization expenses. **Office**—Miami, Fla. **Underwriter**—None.

McCormick Selph Associates, Inc.
April 15 filed 130,000 shares of capital stock, of which 100,000 shares will be offered for public sale by the issuing company and 30,000 shares, being outstanding, by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To reduce outstanding indebtedness, to reduce accounts payable, and for additional working capital. **Office**—2308 San Felipe Rd., Hollister, Calif. **Underwriter**—Wilson, Johnson & Higgins, San Francisco, Calif.

● **McGowen Glass Fibers Corp. (6/17)**
April 27 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 829 Newark Avenue, Elizabeth, N. J. **Underwriter**—Simmons, Rubin & Co., Inc., New York, N. Y.

● **Medallion Pictures Corp. (6/17)**
March 29 (letter of notification) $300,000 of 6½% convertible subordinated debentures due March 30, 1968. **Price**—At 100%. **Proceeds**—For general corporate purposes. **Office**—200 W. 57th Street, New York 18, N. Y. **Underwriter**—Hancock Securities Corp., New York, N. Y.

● **Metropolitan Development Corp. (7/11-15)**
June 8 filed 1,000,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—To complete payments on the company's property, for repayment of loans, and the balance to be added to the general funds for construction purposes and acquisitions. **Office**—Los Angeles, Calif. **Underwriters**—William R. Staats & Co., of Los Angeles, Calif., and Bache & Co. and Shearson, Hammill & Co., both of New York City.

Miami Tile & Terrazzo, Inc.
March 11 filed 125,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—$150,000 as reduction of temporary bank loans, $140,000 in reduction of accounts payable, $65,000 to repay notes and loans payable to Barney B. and Nathan S. Lee, and the balance for general corporate purposes. **Office**—6454 N. E. 4th Ave., Miami, Fla. **Underwriter** — Plymouth Bond & Share Corp., Miami, Fla.

Midwest Technical Development Corp. (7/5-8)
May 17 filed 561,500 shares of common stock, to be offered to holders of the outstanding common on a one-for-one basis. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Minneapolis, Minn. **Underwriters**—Shearson, Hammill & Co., New York City, and Piper, Jaffray & Hopwood, Minneapolis.

Midwestern Indemnity Co.
March 25 (letter of notification) 15,832 shares of common stock (par $5) to be offered for subscription by stockholders of record at the close of business on March 4, 1960 in the ratio of one share for each three shares held. **Price**—$17 per share. **Proceeds**—For working capital. **Address**—Cincinnati, Ohio. **Underwriter** — W. D. Gradison & Co., Cincinnati, Ohio.

Miles Laboratories, Inc. (6/24)
May 18 filed approximately $8,300,000 of convertible subordinated debentures due 1980. The company proposes to offer to the holders of its outstanding common stock of record on or about June 24, 1960, rights to subscribe for the debentures in the ratio of $100 principal amount of debentures for each 16 shares of common stock then held; the subscription offer will expire July 11, 1960. The new debentures which will be convertible into common stock until maturity, unless previously redeemed, will be entitled to an annual sinking fund commencing July 1, 1966, sufficient to retire approximately 93% of the debentures prior to maturity. **Proceeds**—For repayment of short-term debt. **Underwriter**—The First Boston Corp., New York, managing.

Mississippi River Fuel Corp. (7/7)
June 1 filed $24,000,000 of sinking fund debentures due 1980. **Price**—To be supplied by amendment. **Proceeds**—To be applied toward the reduction of outstanding bank loans. **Office** — St. Louis, Mo. **Underwriter** — Eastman Dillon, Union Securities & Co., New York.

● **Mister Service, Inc. (6/20-24)**
April 11 (letter of notification) 80,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—338 Lafayette Street, Newark, N. J. **Underwriter**—General Securities Co., Inc., New York City.

Model Finance Service, Inc.
May 26 filed 100,000 shares of second cumulative preferred stock—65c convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

● **Monowall Homes, Inc. (6/20-24)**
April 22 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay an outstanding note, purchase of land, equipment and for working capital. **Office**—546 Equitable Building, Baltimore 2, Md. **Underwriter**—American Diversified Securities, Inc., Washington, D. C.

Montgomery Ward Credit Corp. (6/27-7/1)
May 5 filed $50,000,000 of debentures, 1980 series. **Price**—To be supplied by amendment. **Proceeds**—To be added to general funds and will be available for the purchase of deferred payment accounts from Montgomery Ward & Co., Inc. **Office**—100 West Tenth St., Wilmington, Del. **Underwriter**—Lehman Brothers, New York.

Movielab Film Laboratories Inc. (6/20)
May 4 filed 100,000 shares of class A common stock (par $1) including 62,500 shares to be offered for public sale by the company and 37,500 shares which are outstanding and will be offered by the holder thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—619 West 54th St., New York. **Underwriter**—Granbery, Marache & Co., New York.

Mustang Lubricant, Inc.
May 9 filed 80,000 shares of class A common stock. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—Denver, Colo. **Underwriter**—To be supplied by amendment.

Namm-Loeser's Inc. (7/5-8)
April 27 filed 217,278 shares of common stock (par $1). The company proposes to offer 108,000 shares of new common stock for subscription by holders of outstanding stock of record May 31, at the rate of one new share for each three shares held. Arebec Corp., of New York, which owns 109,278 common shares, has entered into an agreement to sell said shares to the underwriter. **Price**—To be supplied by amendment. **Proceeds**—To be added to company's general funds and will enable it to use all or part of the proceeds in the reduction of bank indebtedness. **Office** — 2301 Woodward Ave., Detroit, Mich. **Underwriter**—Ladenburg, Thalmann & Co., New York.

★ **National Capital Corp. (8/1-5)**
June 9, 1960, filed 240,000 shares of class A common stock (par $1). **Price**—$5 per share. **Proceeds**—For reduction of indebtedness, working capital, and general corporate purposes. **Office** — 350 Lincoln Road, Miami Beach, Fla. **Underwriters**—J. A. Winston & Co., Inc., and Netherlands Securities Co., Inc., both of New York City.

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National Fountain Fair Corp.
May 27 (letter of notification) 75,000 shares of common stock (par $1). **Price** — $4 per share. **Proceeds** — For general corporate purposes. **Office** — 3000 Hempstead Turnpike, Levittown, L. I., N. Y. **Underwriter**—General Investing Corp., New York, N. Y.

National Lawnservice Corp.
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 410 Livingston Avenue, North Babylon, N. Y. **Underwriter** —Fund Planning Inc., New York, N. Y. **Offering**—Expected sometime in July.

● **National Old Line Life Insurance Co. (6/21)**
April 12 filed 128,329 shares of class BB (non-voting) common stock, of which 43,329 shares are to be offered for the account of the issuing company and 80,000 shares representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes. **Office** — Little Rock, Ark. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

● **National Packaging Corp. (7/5-8)**
March 30 filed 60,000 of common capital stock (par $1). **Price**—$6 per share. **Proceeds**—To retire $87,000 of indebtedness, to purchase $18,000 of additional machinery and equipment, to set up a small plant (at cost of $28,000) on the West Coast to service the fruit tray and vegetable tray business in that area, and for working capital. **Office** — 3002 Brooklyn Ave., Fort Wayne, Ind. **Underwriter**—First Securities Corp., 212 W. Jefferson St., Ft. Wayne, Ind.

★ **National Patent Development Corp. (7/18-22)**
June 8, 1960, filed 150,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—Net of this sale in combination with cash on hand will be used to finance the client and sales solicitation program, and the balance for general corporate purposes. **Office**—68 William St., New York City. **Underwriters** — Globus, Inc. and Ross, Lyon & Co., both of New York City.

National Union Life Insurance Co.
March 29 (letter of notification) 50,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds** —For expenses in the operation of an insurance company. **Address**—Montgomery, Ala. **Underwriter**—Frank B. Bateman, Ltd., Palm Beach, Fla.

Navigation Computer Corp. (6/27-7/1)
May 18 filed 50,709 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and used for general corporate purposes. **Office**—1621 Snyder Ave., Philadelphia, Pa. **Underwriters**—Drexel & Co. and DeHaven & Townsend, Crouter & Bodine, both of Philadelphia, Pa.

● **Nebraska Consolidated Mills Co. (6/27-7/1)**
May 11 filed 111,951 shares of common stock, to be offered for subscription by holders of outstanding common, at the rate of one new share for each four shares held. **Price** — $10 per share. **Proceeds** — To be added to the general funds of the company and will be used to finance larger inventories and accounts receivable. **Office**—1521 North 16th St., Omaha, Neb. **Underwriter**—None.

New Britain Gas Light Co. (7/8)
May 18 filed a maximum of 16,000 shares of common stock (par $25), to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—To discharge bank loans, for construction, and for general corporate purposes. **Office**—New Britain, Conn. **Underwriter**—Putnam & Co., Hartford, Conn.

New Jersey Power & Light Co. (7/19)
May 24 filed $5,000,000 of first mortgage bonds, due 1990. **Proceeds**—For construction and reduction of indebtedness. **Office**—Denville, N. J. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Lehman Brothers and Salomon Bros. & Hutzler (jointly); Equitable Securities Corp.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). **Bids** —Expected to be received on July 19 up to 11 a.m. EDT. **Information Meeting** — Scheduled for July 15 at 67 Broad Street, between 10:00 a.m. and 12 noon.

North American Merchandising Co.
May 26 (letter of notification) $300,000 of 7% convertible sinking fund debentures due July 1, 1965. **Price**—At face amount. **Proceeds**—To repay short-term loans and for working capital. **Office**—118 Cole Street, Dallas, Texas. **Underwriter**—Parker, Ford & Co., Inc., Dallas, Texas.

North Washington Land Co.
May 3 filed $1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

Northern Illinois Gas Co. (7/13)
May 27 filed $30,000,000 of first mortgage bonds due 1985. **Proceeds**—To be applied to the retirement of not to exceed $5,000,000 of bank loans to be obtained for temporary financing of part of the company's new construction and to increase working capital for application to construction expenditures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc. group. **Bids**—To be received on July 13, up to 10:00 a.m. CDST. **Information Meeting** — Scheduled for July 6.

● **Northwest Natural Gas Co. (6/28)**
May 25 filed 60,000 shares of preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To retire $5,000,000 of bank loans and the balance for construction purposes. **Office**—Portland, Ore. **Underwriter** —Lehman Brothers, New York City.

Norwalk Co., Inc.
June 6 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To reduce indebtedness, purchase machinery and equipment, and add to working capital. **Office**—North Water Street, So. Norwalk, Conn. **Underwriter**—Myron A. Lomasney & Co., New York City.

Nuclear Engineering Co., Inc.
April 18 (letter of notification) 30,000 shares of common stock (par 33.3 cents). **Price**—$10 per share. **Proceeds** —To replace bank financing, reduce accounts payable, purchase machinery and equipment and for working capital. **Office**—65 Ray St., Pleasanton, Calif. **Underwriter**—Pacific Investment Brokers, Inc., Seattle, Wash.

Obear-Nester Glass Co. (6/27-7/1)
April 14 filed 210,045 shares of common stock (no par). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—Broadway and 20th, East St. Louis, Ill. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Oil Shale Corp.
March 30 filed 300,000 shares of common stock, to be offered to the holders of its outstanding common stock. The subscription date and record date will be supplied by amendment. **Price**—$2.50 per share. **Proceeds**—For general corporate purposes. **Office**—9489 Dayton Way, Beverly Hills, Calif. **Underwriter**—None.

OK Rubber Welders, Inc. (6/20-24)
Mar. 29 filed 50,000 shares common stock (par $10). **Price** —To be supplied by amendment. **Proceeds**—Together with the proceeds of a $1,100,000 insurance company loan and $700,000 realized from the sale of installment notes to its wholly-owned susbidiary finance company, OK Acceptance Corp., will be used to reduce bank loans in the amount of $1,300,000; to repay other indebtedness in the amount of $228,600; and the balance of approximately $800,000 will be added to working capital. **Office** —551 Rio Grande Avenue, Littleton, Colo. **Underwriter** —Bosworth, Sullivan & Co., Inc., Denver, Colo.

Oslo (City of) Norway (6/21)
May 24 filed $10,000,000 of sinking fund external loan bonds due June 15, 1975. **Price** — To be supplied by amendment. **Proceeds** — To be advanced by the City's Loan Fund to the Oslo Electricity Works, the Oslo Harbor Authority and the municipal tramway companies for capital expenditures to be undertaken by these municipal enterprissc. **Underwriters**—Kuhn, Loeb & Co., Harriman Ripley & Co., Lazard Freres & Co., and Smith, Barney & Co., all of New York.

Ott Chemical Co.
March 17 filed $450,000 of convertible subordinated debentures due June 1, 1970. The company is offering the debentures for subscription by common stockholders of record June 7, 1960, at the rate of a $100 debenture for each 3.11 shares then held with rights to expire on June 17. **Price** — 100% of principal amount. **Proceeds** — For retirement of a note, for additional improvements to properties, for equipment and the balance for working capital and other purposes. **Office**—500 Agard Road, Muskegon, Mich. **Underwriter** — H. M. Byllesby & Co., Inc., Chicago, Ill.

● **Oxford Manufacturing Co., Inc. (6/21-7/1)**
May 3 filed 240,000 shares of class A common stock (par $1), of which 160,000 shares are now outstanding and are to be offered for public sale by the present holders thereof and the remaining 80,000 shares will be offered by the issuing company. **Price** — To be supplied by amendment. **Proceeds**—$150,000 will be used for the purchase of additional machinery and equipment to be installed in certain new manufacturing plant facilities, construction of which has been completed; the balance of the proceeds will be used for general corporate purposes. **Office**—151 Spring Street, N. W., Atlanta, Ga. **Underwriters**—W. C. Langley & Co., New York; and Courts & Co., Atlanta and New York.

Pacotronics, Inc.
June 2 filed 150,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and research and development expenses. **Office** — 70-31 84th Street, Glendale, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York City. **Offering**—Expected in mid-July.

● **Papercraft Corp. (7/6)**
June 2 filed 130,063 shares of common stock (par $1), to be offered initially to stockholders of the corporation at the rate of one additional share for each eight shares presently held. **Price**—To be supplied by amendment. **Proceeds**—To retire bank loans incurred in connection with the recent acquisition of LePage's Division of Johnson & Johnson. Any balance will be added to the company's general funds. **Office**—Pittsburgh, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

Patrick County Canning Co., Inc.
March 25 filed 140,000 shares of common stock. **Price**—$3 per share. **Proceeds**—About $162,000 will be applied to the payment of certain indebtedness; $25,000 for additional machinery and equipment; and $118,752 for working capital, promotion and advertising. **Office**—52 Broadway, New York. **Underwriter** — G. Everett Parks & Co., Inc., New York. **Offering**—Expected sometime in August.

Pauley Petroleum Inc. (7/11)
May 27 filed $10,000,000 of subordinated debentures (convertible) due 1976. **Price** — To be supplied by amendment. **Proceeds**—$7,000,000 will be applied to the payment of bank borrowing incurred in connection with the company's Mexican Tidelands operations and to the reduction of current liabilities. The balance will be added to the general funds of the company and will be available for general corporate purposes. **Office**—717 No. Highland Avenue, Los Angeles, Calif. **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

Pearson Corp. (8/1-5)
March 30 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—$60,000 will be utilized to repay the company's indebtedness to Business Development Co. of Rhode Island; the balance will be added to working capital for general corporate purposes, principally to finance inventory and for other manufacturing costs. **Office**—1 Constitution St., Bristol, R. I. **Underwriter**—R. A. Holman & Co., Inc., New York.

Polycast Corp. (6/27-7/1)
May 19 filed $400,000 of 6½% convertible subordinated debentures and 71,364 shares of common stock, of which the debentures and 20,000 shares of common stock will be offered publicly; 15,000 shares are issuable upon the exercise of warrants and the remaining 36,364 shares are issuable upon conversion of the debentures. **Price**—For debentures, 100%; price for common stock will be supplied by amendment. **Proceeds**—To be used in part ($325,000) to purchase equipment, and the balance will be used for working capital purposes. **Office**—69 Southfield Ave., Stamford, Conn. **Underwriters**—M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc., both of New York.

Progress Electronics Corp.
May 25 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To develop and produce proprietary items in the electronics field. **Office**—1240 First Security Building, Salt Lake City, Utah. **Underwriter**—Binder & Co., Inc., 541 South Spring Street, Los Angeles, Calif.

Provident Fund for Income, Inc.
Dec. 23 filed 400,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For investment. **Office**—3 Penn Center Plaza, Philadelphia, Pa. **Underwriter**—Provident Management Corp., same address. **Offering**—Expected in late June.

Pyramid Electric Co. (6/27-7/1)
April 1 filed 89,675 shares of common stock to be issued to holders of the company's outstanding stock purchase warrants at the rate of one share for each warrant at a price of $3.25 per share. The warrants were issued in and after May, 1954, in connection with a previous public offering and included 46,000 to the underwriter, S. D. Fuller & Co., and 46,000 to the company's officers and employees. At present there are 89,675 warrants outstanding. The warrants are exercisable until June 25, 1960. **Office**—52 Broadway, New York.

● **Rajac Self-Service, Inc.**
March 18 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** —For general corporate purposes. **Office**—11 E. Second Street, Mt. Vernon, N. Y. **Underwriter**—Walter R. Blaha & Co., Inc., Long Island City, N. Y. **Note**—This statement may be withdrawn.

● **Ramo Investment Co. (6/24)**
June 2 (letter of notification) 9,600 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To go to selling stockholders. **Office**—8401 Building, Omaha, Neb. **Underwriter**—First Trust Co. of Lincoln, Lincoln, Neb.

Reeves Broadcasting & Development Corp. (6/27-7/1)
March 30 filed 487,392 shares of common stock, of which 300,000 shares are to be publicly offered and 187,392 shares are to be purchased by Christiana Oil at $4.75 per share and distributed as a dividend to its 2,800 stockholders. **Price**—$5 per share. **Proceeds**—To pay a $110,000 bank note and for general corporate purposes. **Office**—304 East 44th St., New York. **Underwriter**—Laird & Co. Corp., New York.

Republic Ambassador Associates
April 29 filed $10,000,000 of Limited Partnership Interests, to be offered in units. **Price**—$10,000 per unit. **Proceeds**—To purchase hotels in Chicago from a Webb & Knapp subsidiary. **Office**—111 West Monroe Street, Chicago, Ill. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Expected in late June.

● **Republic Graphics Inc. (6/17-20)**
April 29 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office** — 134 Spring Street, New York, N. Y. **Underwriters**—Theodore Arrin & Co., Inc., 82 Beaver Street, New York, N. Y.; T. M. Kirsch & Co., and Robert A. Martin Associates, Inc., New York, N. Y.

Roller Derby TV, Inc.
March 30 filed 277,000 shares of common stock, of which 117,000 shares are to be offered for public sale by the issuing company, and the remaining 145,000 shares will be sold for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes relating to the production and sales of motion picture films of the Roller Derby, and the balance for working capital. **Office**—4435 Woodley Ave., Encino, Calif. **Underwriter**—To be supplied by amendment.

● **Rosauer's Super Markets, Inc. (6/27-7/1)**
June 1 (letter of notification) 28,000 shares of 6% cumulative convertible preferred stock (par $10). **Price**—$10.50 per share. **Proceeds**—To purchase fixtures, equipment and inventory for two proposed new super markets. **Office**—Spokane, Wash. **Underwriter**—Foster & Marshall, Seattle, Wash.

Roto American Corp.
May 27 filed 75,000 shares of common stock (par $1) to be offered for cash sale to the public, and 44,283 shares to be issued in exchange for common and preferred shares of four subsidiaries. **Price**—To be supplied by amendment. **Proceeds**—To be used largely for reduction of accounts payable, as well as for new tooling, research, repayment of an officer's loan, and general corporate purposes. **Office**—93 Worth Street, New York. **Underwriter**—Morris Cohon & Co., New York. **Offering**—Expected in mid-July.

S.A.F., Ltd.
May 6 filed $303,000 of partnership interests, to be offered for sale in units. **Price**—$500 per unit. **Proceeds**—To acquire fee title to certain land in St. Augustine, Fla., upon which will be constructed a 54-unit Howard Johnson Motor Lodge and restaurant, swimming pool and related facilities. **Office**—60 East Coral Center, Fort Lauderdale, Fla. **Underwriters**—Radice Securities Corp. and Jerry Thomas & Co., Inc., Palm Beach, Fla.

● **Safticraft Corp., Patterson, La. (6/20-24)**
April 29 filed 275,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—The company proposes to use $50,000 to expand its efforts in the sale of Safticraft boats nationally; $250,000 for reduction of short-term borrowings; and the remaining $293,500 to be advanced to du Pont, Inc. as additional working capital necessary in the financing of increased inventories and receivables incident to the increased sales volume of Dupont. **Underwriter** — George, O'Neill & Co., Inc., New York.

Saucon Development Corp. (6/27-7/1)
April 28 (letter of notification) an undetermined number of shares of common stock (par $1) not to exceed $300,000. **Price**—To be supplied by amendment. **Proceeds**—For mining expenses. **Office** — c/o Wallace F. McQuade, Pres., 246 Beaconsfield Blvd., Beaconsfield, Quebec, Canada. **Underwriter**—P. Michael & Co., 69 Passaic St., Garfield, N. J.

Sav-A-Stop, Inc. (7/11-15)
May 27 filed 100,000 shares of common stock (par 10 cents). **Price**—$4.50 per share. **Proceeds**—For working capital. **Office** — 2202 Main Street, Jacksonville. Fla. **Underwriter**—Pistell, Crow Inc., of New York City, formerly Pistell, Schroeder & Co.

Sea-Highways, Inc. (6/20-24)
May 9 filed 150.000 shares of common stock. **Price**—$2 per share. **Proceeds**—For working capital. **Office**—Pan-American Bank Bldg., Miami, Fla. **Underwriter**—John R. Maher Associates, of New York.

Seaway Shopping Centers, Inc.
May 20 filed 90,000 shares of $.50 cumulative convertible preferred stock, ($.01 par) and 90,000 shares of class A common stock ($.01 par). It is proposed to offer these shares in units, each consisting of one share of preferred at $7 per share and one class A share at $3 per share, or $10 for the unit. **Proceeds**—To complete construction of new shopping centers. **Office** — 619 Powers Bldg., Rochester, N. Y. **Underwriter**—John R. Boland & Co., Inc., New York. **Offering**—Expected mid-to-late July.

Service Instrument Corp. (6/20-24)
March 23 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — For general corporate purposes. **Office** — 693 Broadway, New York, N. Y. **Underwriter** — Pearson, Murphy & Co., Inc., New York, N. Y.

Sierra Electric Corp. (6/27-7/1)
March 29 filed 100,000 shares of common stock, of which 80,000 shares are to be sold for the account of the issuing company and 20,000 shares are to be sold for the account of the present holder thereof. **Price**—$9 per share (par $1). **Proceeds**—To reduce bank loans and for working capital. **Office**—Gardena, Calif. **Underwriter**—Marron, Sloss & Co., Inc., New York City.

Sierra Pacific Power Co. (7/6)
May 26 filed $3,500,000 of debentures due July 1, 1985. **Proceeds**—To pay some $2,300,000 of outstanding bank loans and for construction expenditure. **Office** — 220 South Virginia St., Reno, Nev. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Stone & Webster Securities Corp. and Dean Witter & Co. (jointly). **Bids**—Expected to be received on July 6, at 49 Federal St., 8th floor, Boston, Mass., up to 10:30 a.m. EDT. **Information Meeting**—Scheduled for July 1 at 11:00 a.m. EDT. at 90 Broad St., 19th floor, New York City.

● **Sire Plan Normandy Isle, Inc. (6/27-7/1)**
March 9 filed $225,000 of 10-year 7% debentures and 4,500 shares of $3.50 cumulative, non-callable, participating preferred stock (par $5), to be offered in units, each unit consisting of one $50 debenture and one preferred share. **Price**—$100 per unit. **Proceeds** — To finance acquisition. **Office**—Ingraham Bldg., Miami, Fla. **Underwriter**—Sire Plan Portfolios, Inc., New York.

● **Skyline Homes, Inc.**
April 15 filed 115,000 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's working capital and used for general corporate purposes. **Office**—2520 By-Pass Road., Elkhart, Ind. **Underwriter**—Rodman & Renshaw, Chicago, Ill. **Offering**—Expected in late June.

● **Smith, (Herman H.) Inc.**
May 24 (letter of notification) 82,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—2326 Nostrand Ave., Brooklyn, N. Y. **Underwriters**—First Broad Street Corp.; Russell & Saxe, Inc., V. S. Wickett & Co., Inc., and Street & Co., Inc., all of New York.

Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,000; to add to working capital; to retire certain long-term indebtedness; and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Indefinite.

● **Southern Union Gas Co. (6/23-24)**
May 24 filed $12,000,000 of sinking fund debentures, due 1985. **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the repayment of $4,000,000 of bank borrowings for construction purposes, and the balance will be used for further construction expenditures in 1960. **Office**—Fidelity Union Tower, Dallas, Texas. **Underwriters**—A. C. Allyn & Company, Incorporated, New York and Chicago, and Snow, Sweeney & Co., Inc., New York.

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

● **(A. G.) Spalding & Bros., Inc.**
May 2 filed 85,484 shares of common stock, being offered for subscription on the basis of one new share for each 10 shares held of record June 13, 1960. **Price**—$20 per share. The Pyramid Rubber Co., the largest individual stockholder, owning 178,978 shares, has agreed to purchase at the offering price within five days after the expiration of the subscription offer (June 30, 1960), all of the stock not sold to the company's stockholders. Pyramid Rubber may within 30 days thereafter resell for investment at the offering price some of the stock it shall acquire to other persons (not exceeding 15) who may be stockholders, officers or directors of the company. **Office**—Chicopee, Mass. **Underwriter**—None.

Stelma, Inc. (6/27-7/1)
May 10 filed 175,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — Stamford, Conn. **Underwriter**—Amos Treat & Co. Inc., New York City.

Super Food Services, Inc.
May 10 filed 60,000 preferred shares-convertible series ($1.50 annual cumulative dividend), $1 par. The company proposes to sell 50,000 shares through a group of underwriters headed by Wm. H. Tegtmeyer & Co., Chicago, Ill. on a firm commitment basis; and by a pre-offering subscription Central Securities Corp. has conditionally agreed to purchase 10,000 such shares. **Price**—$25 per share for public offering. **Proceeds**—To provide the funds to exercise an option to purchase 72,600 of the 113,003 issued and outstanding shares of common of Progressive Wholesale Grocery Co., at a maximum aggregate price of $1,333,333. **Office**—Chicago, Ill.

Swimming Pool Development Co., Inc. (6/27-7/1)
April 15 filed 250,000 shares of common stock (par $1). **Price** — $5 per share. **Proceeds** — Principally for additional working capital. **Office**—Florence, Ala. **Underwriter**—Marron, Sloss & Co., Inc., New York.

System Meat Co.
June 2 filed 150,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For payment of employees' salaries, first mortgage installment, accrued officers' salaries, and the balance for working capital. **Office** — Newcastle, Wyo. **Underwriter**—Purvis & Co., Denver, Colo. **Offering**—Expected sometime in July.

Talcott (James) Inc. (6/20-24)
May 19 filed $20,000,000 of senior notes, due June 1, 1980 and 150,000 shares of common stock (par $9). **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds and be available for general corporate purposes. **Office**—225 Park Ave., South, New York. **Underwriters**—F. Eberstadt & Co. and White, Weld & Co., both of New York.

★ **Talley Industries, Inc.**
June 14, 1960, filed 150,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes, including the reduction of indebtedness, research and development expenses, and the acquisition of machinery and equipment. **Office**—Cheshire, Conn. **Underwriter**—Adams & Peck, New York City.

Tampa Electric Co. (6/28)
May 19 filed $25,000,000 of first mortgage bonds, series due July 1, 1990. **Proceeds**—To be used to pay some $24,000,000 of bank loans and for 1960 construction expenditures. **Office**—111 North Dale Mabry Hwy., Tampa, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Goldman, Sachs & Co. **Bids**—Expected to be received up to 11 a.m. on June 28 at 90 Broad St., 19th floor, New York City. **Information Meeting**—June 24 at 11:00 a.m.

● **Telecomputing Corp.**
April 11 filed 100,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholder. **Office** — 915 North Citrus Ave., Los Angeles, Calif. **Underwriter** — Dean Witter & Co., New York City and Los Angeles. **Note**—The underwriter states that this statement has been withdrawn.

Texas Capital Corp.
May 4 filed 350,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To be used to provide investment capital and management services to small business concerns. **Office**—705 Lamar Blvd., Austin, Texas. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. **Offering**—Expected in late June.

Texas Eastern Transmission Corp.
April 11 filed $25,000,000 of debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For the reduction of indebtedness and for construction expenses. **Office**—Houston, Texas. **Underwriter**—Dillon, Read & Co., Inc., New York City. **Note**—This offering has been indefinitely postponed.

● **Thurow Electronics, Inc.**
March 28 filed 200,000 shares of class A common stock, (par $2.50) of which 100,000 shares are to be offered for public sale by the issuing company and the balance by H. M. Carpenter, President. **Price**—$3 per share. **Proceeds**—To be used as additional working capital for inventory and business expansion purposes. **Office**—121 South Water, Tampa, Fla. **Underwriter**—Donald V. Stabell, of St. Petersburg, Fla. **Offering**—Imminent.

● **Trans Tech Systems, Inc. (7/5-8)**
March 29 filed 65,000 shares of common stock (par one cent). **Price**—$10 per share. **Proceeds**—For general corporate purposes. **Office** — 5505 Wilshire Blvd., Los Angeles 48, Calif. **Underwriter**—Myron A. Lomasney & Co., New York.

● **Tri-Point Plastics, Inc. (6/20-24)**
March 15 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—175 I. U. Willets Road, Albertson, L. I., N. Y. **Underwriter**—Martinelli, Hindley & Co., Inc., New York, N. Y.

Triumph Storecrafters Corp. (6/27-7/1)
May 18 filed 145,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Houston, Texas. **Underwriters**—Hardy & Hardy, New York City, and First Southeastern Co., Atlanta, Ga.

Underwriters National Assurance Co.
May 12 filed 240,000 shares of common capital stock. **Price**—$7.50 per share. **Proceeds**—For general corporate purposes, including payment of operating expenses, the carrying on of the insurance business, and for working capital (and including $50,000 which will be certified to State authorities for investigation and examination by it to procure the certificate of authority to transact insurance business). **Office**—1939 North Meridian St., Indianapolis, Ind. **Underwriter**—David L. Johnson & Associates, Inc., Indianapolis, Ind.

United Components, Inc.
March 2 filed 110,000 shares of common stock, of which 10,000 shares are to be offered to Sheldon Leighton, a director, at $2.50 per share and the remainder is to be publicly offered. **Price**—To be supplied by amendment. **Proceeds** — For new equipment, advertising, and other general corporate purposes. **Office**—Orange, N. J. **Underwriter**—Darius, Inc., New York City.

United States Boat Corp. (6/27-7/1)
March 28 filed 350,000 shares of common stock to be publicly offered. **Price**—$2 per share. **Proceeds**—$221,826 will be applied to the repayment of loans to United States Pool Corp. which were used for general corporate purposes, and the balance will be utilized for working capital, including a later repayment of $45,000 to U. S. Pool Corp. **Office** — 27 Haynes Avenue, Newark, N. J. **Underwriter**—Richard Bruce & Co., Inc., New York.

● **Universal Marion Corp.**
April 15 filed 435,120 shares of common stock (no par), being offered for subscription by common stockholders of record June 10, at the rate of one new share for each four shares or fraction thereof with rights to expire on July 11 at 3:30 p.m. (EDT). **Price** — $13.50 per share. **Proceeds**—To be added to the general funds of the company and be available for use in developing the company's tract of land near Tampa, Fla., for working capital and for possible acquisition of other properties. **Office**—602 Florida Theatre Bldg., Jacksonville, Fla. **Underwriter**—None.

Universal Marion Corp.
March 29 filed 31,361 shares of 4½% cumulative preferred stock ($100 par). **Price**—To be offered for sale in the over-the-counter market, or otherwise by public or private sale at $95 per share, or such lesser price or prices which may be obtained. **Proceeds**—To selling stockholders. **Office**—602 Florida Theater Bldg., Jacksonville, Fla. **Underwriter**—None.

● **Uranium Reduction Co. (6/21)**
March 31 filed 189,669 outstanding shares of common stock (par 10 cents). **Price**—$6.50 per share. **Proceeds**—To selling stockholders. **Office**—557 First Security Bldg., Salt Lake City, Utah. **Underwriter**—A. C. Allyn & Co., Inc., Chicago, Ill.

Varian Associates (7/14)
May 24 filed 216,645 shares of capital stock to be offered for subscription by stockholders of record July 14, at the rate of one new share for each 15 shares held. **Price** — To be supplied by amendment. **Proceeds** — For construction, new machinery, the retirement of outstanding bank loans, and the balance for working capital. **Office**—Palo Alto, Calif. **Underwriter**—Dean Witter & Co., San Francisco, Calif.

● **Wallace Properties, Inc. (6/22)**
April 5 filed $12,000,000 principal amount of 6% convertible subordinated debentures, due June 1, 1975 and 360,000 shares of common stock (par $2), to be offered only in units, each consisting of $100 principal amount

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of debentures and three shares of common stock. **Price**—To be supplied by amendment. **Office**—Dallas, Texas. **Underwriter**—Harriman Ripley & Co., Inc., New York.

● Waltham Precision Instrument Co., Inc. (6/20)
April 15 filed 700,000 shares of common stock (par $1). It is proposed that this offering will be on a subscription basis to the company's present common stockholders. **Price**—To be supplied by amendment. **Proceeds**—$600,000 to pay the balance of the purchase price for Boesch Manufacturing Co., Inc. stock; $350,000 to pay the 5% chattel mortgage note held by the Secretary of the U. S. Treasury as assignee of the Reconstruction Finance Corp.; $200,000 to pay the 6% secured notes issued as part payment for the stock of Electro-Mec Laboratory, Inc.; and the balance for working capital and other corporate purposes. **Office**—221 Crescent St., Waltham, Mass. **Underwriter**—Schweickart & Co., New York.

West Ohio Gas Co.
May 19 filed 43,048 shares of common stock. The company is offering this stock for subscription by its common stockholders of record June 6, 1960, at the rate of one new share for each 10 shares then held with rights to expire on July 7 at 2:00 p.m. EST. **Price**—$17.50 per share. **Proceeds**—To be added to the company's general funds and will be used for property additions and improvements. An additional $300,000 is to be provided through long term financing during the current year. **Office** — 319 West Market Street, Lima, Ohio. **Underwriter**—None.

● Westmore, Inc.
May 9 (letter of notification) 150,000 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—137 South Ave., Fanwood, N. J. **Underwriter**—Jacey Securities Co., New York, N. Y.

● Wheeler Fibre Glass Boat Corp. (7/11-15)
May 19 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—$35,000 for purchase of machinery and equipment; $18,000 for required deposits on the company's lease, insurance and utilities; $185,000 for working capital and the balance for expansion of production facilities. **Office**—450 Zerega Avenue, Bronx, N. Y. **Underwriter**—Morris Cohon & Company, of New York.

★ White Avionics Corp
June 6, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Terminal Drive, Plainview, L. I., N. Y. **Underwriters**—Commonwealth Securities Co., Inc., Philadelphia, Pa. and Planned Investing Corp., New York, N. Y.

● Whitmoyer Laboratories, Inc. (6/27-7/1)
Jan. 28 filed 85,000 shares of common stock and $500,000 of 6% subordinated debentures, due 1977, with warrants for the purchase of 10,000 additional common shares at $5 per share. **Price** — For the debentures, 100% of principal amount; for the 85,000 common shares, $6 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, sales promotion, and equipment. **Office**—Myerstown, Pa. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa.

● Willer Color Television System, Inc. (6/27-7/1)
Jan. 29 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City.

Win-Chek Industries, Inc. (6/27-7/1)
April 26 filed 150,000 shares of class A stock to be publicly offered, 15,000 shares to be issued pursuant to a restricted stock option plan, and 21,500 shares being registered but not offered at this time. **Price**—$3 per share (par 25 cents). **Proceeds**—To purchase additional inventory and equipment and the balance to improve the company's working capital position. **Office** — Moonachie, N. J. **Underwriter**—Michael G. Kletz & Co. (managing).

WonderBowl, Inc.
April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

Prospective Offerings

Acme Steel Co.
March 25 the company's annual report stated that capital improvements during 1960-63, inclusive, have been projected to cost between $40,000,000 and $45,000,000. It is anticipated that a substantial proportion of this money will be forthcoming from depreciation and retained earnings. In addition, the sale of $10,000,000 of preferred stock in 1960 is planned to supply a part of these overall capital requirements. **Office**—Chicago, Ill.

Alberta Gas Trunk Line Co. (10/4)
June 1 it was announced that the company is planning to offer in October four security issues totaling $110,000,000. $65 million first mortgage bonds will be sold in the United States and the balance of the financing in Canada.

Avnet Electronics Corp.
May 17 it was reported that the company contemplates the filing of about $2,000,000 of convertible debentures sometime in June. **Proceeds**—For expansion and general corporate purposes. **Office**—70 State St., Westbury, L. I., N. Y. **Underwriter**—Hemphill, Noyes & Co., New York.

Brooklyn Union Gas Co.
May 10 it was announced that the company plans no more financing this year, but there would be some in 1961, although the form it is to take has not as yet been determined.

City Gas Co.
March 10 it was reported that this company is expected to file an undetermined amount of common stock sometime in June. **Underwriter**—Kidder, Peabody & Co., New York City.

★ Columbia Gas System, Inc. (10/6)
June 13, 1960, it was reported that the company plans to sell $30,000,000 of debentures. **Proceeds** — For construction. **Office**—120 E. 41st St., New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.; Shields & Co.; R. W. Pressprich & Co. and Carl M. Loeb, Rhoades & Co., all of New York City. **Bids**—Expected to be received on Oct. 6.

★ Columbus & Southern Ohio Electric Co.
June 13, 1960, it was reported that this utility plans the sale of about 200,000 shares of common stock to raise approximately $8-$9,000,000, with the timing set for the last quarter of this year, sometime after the November elections. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio.

Consolidated Edison Co.
May 15 it was indicated by H. C. Forbes, Chairman, at the annual meeting of stockholders, that common stockholders may get rights to subscribe to convertible debentures or common stock in the Fall. This type of financing would be contingent upon the ability of the company to get its presently outstanding 4% debentures converted into common stock. Con Edison this year will spend about $225,000,000 on new construction compared with $222,000,000 in 1959 and $189,000,000 in 1958. For the five years through 1964, Mr. Forbes estimated that the utility would spend $1.2 billion for plant expansion. To finance the five-year program he said the company will have to issue some $800 million of securities of one kind or another.

Consumers Power Co.
April 29 the company asked the Michigan Public Service Commission for permission to issue and sell securities with base value of $73,101,600. The company proposes to issue and sell first mortgage bonds in the amount of $35,000,000 maturing not earlier than 1990 for the best price obtainable but not less favorable to the company than a 5¼% basis. The mortgage bonds are expected in the last quarter of the year. **Proceeds**—To be used to finance the continuing expansion and improvement of the company's electric and gas service facilities in a 65-county area outside of Greater Detroit. **Underwriter**—To be determined by competitive bidding. Probable bidders: For bonds—Halsey, Stuart & Co. Inc.; White, Weld & Co., and Shields & Co. (jointly); Morgan Stanley & Co.; The First Boston Corp., and Harriman Ripley & Co., Inc. For debentures—Morgan Stanley & Co. **Information Meeting**—For the convertible debentures, scheduled for July 22 at 11:00 a.m. at the Bankers Trust Co., 16 Wall St., New York City, 12th floor.

Deckert Dynamics, Inc.
March 16 it was announced that 100,000 shares of common stock are expected to be filed in June. **Proceeds**—For general corporate purposes. **Office**—Palmyra, Pa. **Underwriter**—Plymouth Securities Corp., New York City.

★ El Paso Natural Gas Co. (7/26)
June 9, 1960, it was announced by the company that approximately 1,140,000 additional shares will be offered for subscription by common stockholders on the basis of one new share for each 15 shares held as of the tentative record date of July 26, with rights to expire on or about Aug. 11. **Price**—To be supplied by amendment. **Office** — El Paso, Texas. **Registration** — Expected on or about June 22. **Underwriter**—White, Weld & Co., New York City.

Florida Power & Light Co.
June 1 it was announced that the company anticipates further financing in 1960 approximating $25,000,000 and estimates that in 1961 it will require approximately $50,000,000 of new money. This company on May 31 floated a 400,000 common share offering through Merrill Lynch, Pierce, Fenner & Smith Inc. and associates at a price of $59.125 per share.

Florida Power Corp. (10/20)
March 10 it was reported that $25,000,000 of first mortgage bonds will be sold by this utility. **Proceeds**—For new construction and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Blyth & Co. (jointly). **Information Meeting**—Scheduled for Oct. 17 at 11:00 a.m. at Morgan Guaranty Trust Co. **Bids**—Expected to be received on Oct. 20.

Ford Motor Credit Co.
March 28 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur later this year. **Office**—Detroit, Mich.

Georgia Power Co. (11/3)
Dec. 9 it was announced that the company plans registration of $12,000,000 of 30-year first mortgage bonds with the SEC. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. **Registration**—Scheduled for Sept. 26. **Bids**—Expected to be received on Nov. 3. **Information Meeting**—Scheduled for Oct. 31.

★ Harcourt Brace & Co. Inc.
June 13, 1960, it was reported that a secondary offering of 500,000 shares of common stock is expected to be filed, probably during the last week in June. **Proceeds**—To selling stockholders. **Office**—750 Third Ave., New York City. **Underwriter**—White, Weld & Co., New York City.

Hayes Aircraft Corp.
Feb. 12 it was reported that an issue of convertible debentures is being discussed and may occur in the next few months. **Office**—Birmingham, Ala. **Possible Underwriter**—Sterne, Agee & Leach, Birmingham, Ala.

Houston Lighting & Power Co.
March 22 it was announced in the company's annual report that it anticipates approximately $35 million in new money will be required in 1960 to support the year's construction program, and to repay outstanding bank loans. Studies to determine the nature and timing of the issuance of additional securities are presently under way. Last August's offering of $25,000,000 of 4⅞% first mortgage bonds was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler. **Office** — Electric Building, Houston, Texas.

Hydrometals, Inc.
May 25 it was reported that the company plans to file a rights offering of $2 million to $2½ million of convertible debentures. **Office** — Chrysler Bldg., New York. **Proceeds** — For working capital. **Underwriter** — H. M. Byllesby & Co., Inc., Chicago, Ill.

Idaho Power Co.
March 30 it was reported that the company plans to issue and sell $15,000,000 of 1st mortgage bonds due 1990 sometime in the fall. **Proceeds**—For capital expenditures, etc. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

Indianapolis Power & Light Co. (9/27)
April 18 it was reported that the company will issue and sell $12,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Goldman, Sachs & Co., and The First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co.; White, Weld & Co., and Shields & Co. (jointly); Blyth & Co., Inc.; Equitable Securities Corp. **Bids**—Expected to be received up to 11 a.m. New York Time on Sept. 27. **Information Meeting**—Scheduled for Sept. 22 at 11:00 a.m., at the Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

★ International Mining Corp.
It was announced June 1, 1960 in the 1959 Annual Report of International Mining Corp. that the corporation intends to issue $10,830,000 of 7% secured serial notes in connection with its merger with Canton Co. of Baltimore, which will be the name of the surviving corporation. It is expected that the notes will be issued shortly at par, and will mature at the rates of $1,000,000 annually for one to three years, $500,000 annually for four to nine years, and $4,830,000 the 10th year after the merger. **Office**—535 Fifth Avenue, New York City. **Underwriter**—None.

Iowa Electric Light & Power Co.
March 11 President Sutherland Dows stated that bonds would be sold in order to supplement money to be obtained from temporary bank loans, to acquire the $10,000,000 required to finance 1960 construction. **Office**—Cedar Rapids, Iowa.

K.V.P. Sutherland Paper Co.
May 11 it was reported that a secondary offering of common stock is presently being discussed. **Proceeds**—To selling stockholders. **Underwriter** — Lehman Brothers, New York.

Laclede Gas Co.
May 10 it was announced that in addition to the $15,000,000 of new capital expected to be provided by the July bond-equity financing, $33,000,000 will come from later sale of securities other than common stock and from retained earnings.

★ Long Island Lighting Co.
June 13, 1960, it was reported that the company is discussing the sale of approximately $20-$30,000,000 of debt financing, probably to occur sometime this Fall. **Proceeds**—For construction. **Office** — 250 Old Country Road, Mineola, New York. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Smith, Barney & Co. and First Boston Corp., all of New York City.

● Long Island Trust Co.
May 26 the directors of this bank voted to recommend the issuance of 61,413 new shares of capital stock (par $5). Having been approved by the stockholders at a special meeting held at 8 p.m. on June 14, 1960, the new shares are being offered to stockholders on June 14, 1960, on the basis of one new share of stock for each eight shares then held, with rights to expire on July 11. **Price**—$23 per share. **Proceeds**—To increase capital and surplus. **Office**—82 Seventh Ave., Garden City, L. I., N. Y. **Underwriters**—A. M. Kidder & Co., Inc. of New York City and Brown, Lisle & Marshall of Providence, R. I.

Louisville Gas & Electric Co. (10/18)
April 27 it was reported that this company plans the issuance and sale of $16,000,000 of first mortgage bonds. **Proceeds**—For construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co., American Securities Corp. and Wood, Struthers & Co. (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly); Kidder, Peabody & Co. and Goldman, Sachs & Co. (jointly). **Bids**—Expected to be received on Oct. 18.

Mercantile Discount Co. of Chicago
May 25 it was reported that this company plans the filing of 128,000 shares of its common stock. **Office**—Chicago, Ill. **Proceeds**—For working capital. **Underwriters**—H. M. Byllesby & Co., Inc. and Rodman & Renshaw, both of Chicago, Ill.

Michigan Bell Telephone Co. (8/23)
May 23 it was announced that the company plans to come to market in August for the sale of $35,000,000 of debentures. **Proceeds**—For construction, costs of which are currently about $103,000,000 per year. **Office**—Detroit, Mich. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

Mohawk Insurance Co.
March 16 it was announced that the company expects to register its first public offering in June. The offering will consist of 75,000 common shares. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—198 Broadway, New York City. **Underwriter** — R. F. Dowd & Co., Inc., 38 Broadway, New York City.

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

Northern States Power Co. (Minn.) (12/6)
May 11 it was reported that the company plans the issuance and sale of $35,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and White, Weld & Co. (jointly); The First Boston Corp. and Blyth & Co., Inc. (jointly); Lehman Brothers and Riter & Co. (jointly); Equitable Securities Corp. and Eastman Dillion, Union Securities & Co. (jointly). **Bids**—Expected to be received by Dec. 6.

Orange & Rockland Utilities, Inc.
April 18 it was stated that the company presently expects that such part of its construction program through 1962 and the refunding of $6,442,000 series B bonds maturing in 1961 as is not financed by the sale of the company's 39,165 shares of its convertible cumulative preferred stock, series E, 5% (par $100) will be financed from the proceeds of sale in 1961, subject to market conditions, of $10,000,000 of its first mortgage bonds, from depreciation and retained earnings and, to the extent of any remaining balance, from the proceeds of additional short-term borrowings.

Pacific Lighting Corp.
May 11 it was announced that this company, in order to finance additional pipeline distribution systems, plans to sell $30,000,000 of first mortgage bonds and $20,000,000 of preferred stock later this year.

Pacific Power & Light Co.
Jan. 29 it was announced that the company plans to issue at least $20,000,000 of securities, the date and form of which will be announced at a later date. **Proceeds**—To retire $20,000,000 of unsecured promissory notes, to mature on or prior to July 31, 1961. The notes will be issued to finance part of the issuer's 1960-61 construction expenditures, which are expected to total about $61,000,000. **Office**—Portland, Ore.

Panhandle Eastern Pipe Line Co.
April 19 it was reported that this company might sell about $65,000,000 of debentures, possibly in the third quarter of this year. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co., both of New York.

★ Philadelphia Aquarium Co.
June 15, 1960, it was reported that the company plans to sell about $2,000,000 of debentures and common stock to finance an aquarium in Fairmont Park, Philadelphia, which would be city-owned and company-operated under a lease. **Underwriter**—Stroud & Co., Inc. of Philadelphia, Pa. and New York.

Potomac Electric Power Co.
March 21 it was stated in the company's annual report it is anticipated that their 1960 construction program will amount to $39 million and there will be further financing of about $15 million of an as yet undetermined type. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Dillon, Read & Co. and Johnston, Lemon & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Eastman Dillon & Union Securities & Co and Stone & Webster Securities Corp. (jointly).

Public Service Co. of New Hampshire
April 4 it was stated in the company's annual report that short-term borrowings will increase progressively during 1960 until further permanent financing is undertaken later in the year. The timing, type, and amount of this financing has not been determined.

Public Service Electric & Gas Co. (9/20)
May 18 directors of this company took preliminary steps for the sale of $50,000,000 in first and refunding mortgage bonds with a maturity of not more than 30 years. **Proceeds** — To pay all or part of company's short-term indebtedness incurred for construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co., and Lehman Brothers (jointly). **Bids**—Expected to be received on Sept. 20 up to 11 a.m., in Newark, N. J. **Information Meeting**—Scheduled for Sept. 15 at 11:00 a.m. at the Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

Rochester Gas & Electric Corp.
March 1 it was stated in the company's annual report that the company has filed an application with the New York State Public Service Commission for the right to issue $10,000,000 of new preferred stock. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

San Diego Gas & Electric Co.
April 8 it was reported that $25,000,000 of bonds is expected to be sold sometime in the third quarter of this year. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp., Eastman Dillon, Union Securities & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Salomon Bros. & Hutzler (jointly).

★ Scantlin Electronics Co.
June 13, 1960, it was reported that the filing of about $2,000,000 of common stock is being discussed, with no time indication as yet. **Office**—Los Angeles, Calif. **Underwriter**—Carl M. Loeb, Rhoades & Co. and Paine, Webber, Jackson & Curtis (jointly).

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made this summer. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

Southern California Edison Co. (8/23)
March 15 it was stated in the company's annual report that besides the $30,000,000 issue of series L mortgage bonds sold to underwriters in January, 1960, an additional $55,000,000 to $60,000,000 will be needed to complete its estimated $123,000,000 construction program for 1960. This financing is dependent upon market conditions, and will probably be some type of debt security.

Southern Counties Gas Co. (7/26)
May 16 it was reported that the company contemplates the issuance and sale of approximately $22,000,000 of first mortgage bonds. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; The First Boston Corp.; White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Tentatively expected on July 26. **Information Meeting**—Scheduled for July 22 at 10:00 a.m. EDT at the Bankers Trust Co.

Southern Natural Gas Co.
April 4 it was stated in the company's annual report that the company expects to provide for the payment of certain outstanding notes through the issuance of first mortgage bonds and other debt securities. The timing of the issue or issues was not stated in the report. **Office**—Birmingham, Ala.

★ Southern Nevada Power Co.
June 15, 1960, it was reported that in order to meet $8,300,000 of property expenditures scheduled for 1960, the company has arranged a $6,000,000 revolving bank credit. It will borrow about $5,100,000 under this agreement by October, at which time it expects to sell about $5,500,000 of bonds and $3,000,000 of an undetermined type of stock, with preferred being considered, possibly with rights to purchase common shares at specified prices. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. Eastman Dillon, Union Securities & Co. and Kidder, Peabody & Co. (jointly); White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.

● Southwestern Bell Telephone Co. (8/2)
March 28 directors of this company recommended a $100,000,000 debenture issue, subject to approval by regulatory authorities. **Proceeds**—To finance an expansion and improvement program over the next five years. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on or about Aug. 2 up to 11:00 a.m. EDT.

Steck Co.
May 4 it was reported that the company plans the filing of 60,000 shares of common stock. **Office** — Austin, Texas. **Registration** — Sometime in June. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas, Texas.

Telephone & Electronics Corp.
It was reported May 18 that a "Reg. A" filing of 52,980 shares of this firm's 25 cent par common stock, constituting the company's initial public financing, is expected shortly. **Office**—7 East 42nd St., New York City. **Underwriter**—Equity Securities Co., 39 Broadway, New York City 6, N. Y.

Tennessee Valley Authority
Jan. 20 announced that, pursuant to August, 1959, authorization from Congress to have $750,000,000 of revenue bonds outstanding at any one time, it plans its first public offering, expected to be about $50,000,000, for sometime in the Fall. May 13 it was announced that about $50,000,000 of additional revenue bonds will be offered in the Spring of 1961. The type of bond issued will depend on market conditions. **Proceeds**—To finance construction of new generating capacity. Power Financing Officer: G. O. Wessenauer. Financial Advisor: Lehman Brothers. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., First National City Bank of New York, Equitable Securities Corp. and Smith, Barney & Co. (jointly); First Boston Corp., Lazard Freres & Co., Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Chase Manhattan Bank and Morgan Guaranty Trust Co. of N. Y. (jointly); and Blyth & Co. and J. C. Bradford & Co. (jointly).

Trans World Airlines, Inc.
April 8 it was announced that the company plans to offer to its stockholders $100,000,000 of subordinated income debentures with detachable common stock purchase warrants, and Hughes Tool Co. (parent) will purchase not only its pro-rata portion ($78,000,000) but also enough of any debentures not taken up by others to provide TWA with at least $100,000,000. **Proceeds** — Together with $190,000,000 proposed private placement which is presently being worked on by this company's bankers, will be used for expansion of the company's jet fleet. **Underwriters**—Dillon, Read & Co., Inc., Lazard Freres & Co., and Lehman Brothers, all of New York.

Union Electric Co.
March 16 it was announced by Dudley Sanford, Executive Vice-President, that the company plans an offering of debt securities in the range of $30,000,000 to $35,000,000. **Proceeds**—To meet construction expenses. **Office**—315 No. 12th Blvd., St. Louis, Mo. **Offering**—Expected in the latter part of this year.

Union Trust Co. of Maryland
April 21 directors of this bank announced plans to boost its capital stock by 100,000 shares to 500,000 shares, $10 par. The bank is offering for subscription to present holders of record May 31, 100,000 shares on the basis of one new share for each four held with rights to expire on June 20 at 3:30 p.m. EDT. **Price**—$46 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—Alex. Brown & Sons, Baltimore, Md.

Utah Power & Light Co. (9/14)
June 1 it was reported that $17 million of debt securities and $10 million of common stock is expected to be sold sometime in the third quarter of this year. **Proceeds**—For construction purposes and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. and First Boston Corp. (jointly); White, Weld & Co.; Stone & Webster Securities Corp. (jointly); Salomon Bros. & Hutzler; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lehman Bros.; Bear, Stearns & Co. **Bids**—Expected to be received on Sept. 14. **Information Meeting**—Scheduled for Sept. 12 at 2 Rector St., New York City.

Virginia Electric & Power Co. (9/13)
Feb. 5 it was reported that approximately $25,000,000 first mortgage bonds will be offered for sale. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp. **Bids**—Expected to be received on Sept. 13.

Waldbaum, Inc.
May 11 it was reported that public financing is being contemplated by this supermarket chain. No confirmation was obtainable. **Office**—2300 Linden Blvd., Brooklyn, New York.

★ Waterman Products Co., Inc.
June 15, 1960, it was reported that approximately 100,000 shares of common stock is expected to be filed shortly. **Office**—Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., of Philadelphia, Pa. and New York.

★ Western Maryland RR. (6/29)
June 13, 1960, it was reported that this Road is planning the sale of $3,700,000 of equipment trust certificates on June 29. **Underwriter**—To be determined by competitive bidding. Bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler.

★ Western Pacific RR.
June 13, 1960, it was reported that this Road is contemplating the sale of $3,720,000 of equipment trust certificates, probably sometime in July. **Underwriter**—To be determined by competitive bidding. Bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler.

★ Western Printing & Lithographing Co.
June 15, 1960 it was reported that an undetermined amount of common stock is expected to be filed sometime this summer. **Office**—1220 Mound Avenue, Racine, Wis. **Underwriter**—Goldman, Sachs & Co.

Winter Park Telephone Co.
May 10 it was announced that this company, during the first quarter of 1961, will issue and sell approximately 30,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders and may or may not be underwritten by one or more securities brokers. Future plans also include the sale of $2,000,000 of bonds in the second quarter of 1961. **Office**—132 East New England Ave., Winter Park, Fla.

Yardney Electric Corp.
May 9 it was reported that sometime in July this company expects to file an as yet undetermined amount of common stock. **Office**—40 Leonard St., New York City. **Underwriter**—To be named.

Down-to-Earth Observations Regarding Economic Growth

Continued from page 15

the rate for nonagriculture. Now suppose that the economy changes, and the nonagricultural segment is larger than the agricultural. Even if the rate of growth stays the same in both agriculture and nonagriculture, the new average rate of growth for the whole economy will be nearer the nonagricultural than the agricultural rate, and therefore higher than before. This kind of thing is in fact happening in Russia. In the United States, on the other hand, the opposite is happening. Agriculture here has an extraordinary large rate of growth, so we are able to shift resources into things like services where growth is slower; and this pulls down the figures on our average rate of growth, even though the change is obviously a good thing. It would be possible for our rate of growth to be higher than the Russian rate in every part of the economy, yet for our average rate to be less than theirs.

Another affliction of our measures of growth is the problem of a proper time-span, whatever criterion is used. Like every kind of growth, economic growth proceeds at an uneven pace. Measurements must be made at times far enough apart to average out seasonal, cyclical, and erratic fluctuations. They must, for example, cover a full business cycle as an absolute minimum, and preferably several cycles. Measurements of growth must begin and end at comparable cyclical stages. A fictitiously high rate will result if we start at a cyclical trough and end at a peak, or a fictitiously low rate if we go from a peak to a trough. Peak to peak measurements are best, for peaks of successive cycles trace the course of economic growth in fairly smooth and regular fashion. For similar reasons, the periods used for measuring growth must not begin or end at the peak of a war boom or at the trough of a post-war reconversion.

These limitations on proper time periods prevent making — honestly—a number of comparisons in the period since the Second World War that would be interesting. In that period there have been only three peaks, 1948, 1953, and 1957, and the middle one, 1953, was the peak of the Korean War boom. Thus, there is one and only one period that meets the requirements for a meaningful measurement of growth, namely 1948 to 1957. While some politicians have presented comparisons of the growth rate from 1947 to 1953 with that from 1953 to 1959, this can only be described as unwary, unwise, or unscrupulous, for 1947 was a war reconversion trough, 1953 was both a war peak and a cyclical peak, and 1959 was a year of expansion but neither a trough nor a peak. Such unwise, unwary, or unscrupulous comparisons naturally invite other politicians to compare growth from 1945 to 1952 with growth from 1953 to 1960. On one basis, the rate of growth in real GNP is double in the earlier period; on the other basis, it is double in the later period. You pick your party, then you pick your periods; and so you "prove" that your party has done twice as well as the other party.

The treacheries of timing are especially hazardous in comparing growth rates of different countries. For the United States, 1948 to 1957 is a valid peak-to-peak period for measuring growth. For some other country, however, it may be a peak-to-trough or a trough-to-peak period. Comparisons covering the same period for two countries may, therefore, be misleading.

All these difficulties mean, not that measurements of growth are futile and fruitless, but that to interpret them requires considerable care, skill, judgment, objectivity, and sophistication about both economics and statistics. Since this audience has those qualities, let's proceed to survey the principal measures of growth, paying particular attention to the recent record in relation to the long term record.

Real Gross National Product from 1909 to 1957 grew at an annual compound rate of 2.9% per year. The long-run growth trend has been fairly stable in spite of large departures above and below it. Between 1948 and 1957, the annual rate of growth in total real production was 3.8%, somewhat higher than the long-run rate.

Real GNP Per Capita. From 1909 to 1957 the annual rate of increase in real GNP per capita was 1.5%. From 1948 to 1957 the rate was 2.0% per year, again somewhat higher.

Industrial production, as measured by the Federal Reserve Board Index, increased from 1919 (when the index begins) to 1957 at an average annual rate of 3.7%. Between 1948 and 1957 the annual rate of increase was 4.4%, a little higher, but within the range of statistical variation that characterizes this series.

Real private output per man hour worked increased from 1889 to 1957 at an average annual rate of 2.0%. From 1948 to 1957 the rate was 3.1%, or about 50% higher.

Real output per unit of labor and capital combined, useful as a measure of overall efficiency, increased from 1889 to 1957 at an average annual rate of 1.7%. From 1948 to 1957 the annual rate of increase was 2.4%, about 40% higher.

Real disposable personal income per capita measures the income available to individuals, after taxes, to use as they please. The annual rate of increase from 1929 (when the data begin) to 1957 was 1.6%, a rate pulled down by depression and pushed up by war booms. From 1948 to 1957 the average annual rate of increase was 1.9%, despite high taxation and rapid population increase.

There are many other indicators of growth: length of the work week, or levels of education, for example. But the six indices that we have looked at suffice to illustrate the nature of the problems in answering the question: What is Economic Growth?

Even this brief look at the record shows the falsity of careless allegations that our economy is slowing down. The recent record, as best we are able to read it at such close range, is very good when judged by historical standards. Indeed, considering the great changes that have taken place and the major adjustments that the economy has made with flexibility and resiliency during the past 15 years, the record is one which should renew our faith in the vitality of our system. Perhaps we should, can, and will grow faster and better; but that is the "to be continued" part of our growth story.

Why Grow?—Economic Growth As A Policy Goal

Economic growth has been an important goal of our national policy since the founding of the Republic. It remains an important goal, in no way diminished by our remarkable progress. Indeed, economic growth has recently become a political rallying cry, accompanied sometimes by demands that the government revert to the mercantilist policies by which economic growth was sought in the 17th and 18th centuries.

The issue of economic growth has entered the arena of contemporary politics through a course which has characterized many issues in the past quarter of a century. That is that after we have gotten over the hill by private endeavors, and are on our way at a brisk pace, urgent demands arise that the government expedite and direct us.

Characteristically, individuals, private institutions, or general social forces break the paths and provide the initial momentum. Once the vision of an important goal gains currency, and once we are on our way toward attaining it, suddenly we become impatient for a magic carpet to put us there instantly. Our impatience is exploited by those promoting various political schemes. Some of these schemes have become as wilted and shabby as the proverbial saloon sandwich, as they are pushed decade after decade as means to reach whatever goals have most recently come over the horizon or are most rapidly being attained through private forces.

Much of the current emphasis on economic growth is of this character. All sorts of plans are put forth under the banner of growth, with little or no analysis of the way they might promote growth—except growth in Federal spending. The same spending plans, on the other hand, are often described as reasons for wanting growth. We could afford the spending, the argument runs, if we only had growth; and the implication is that those who paint these glowing pictures of what growth could do to expand Federal spending somehow have the key to growth.

The fact that too many of the considerations raised in discussions of growth cannot be taken seriously should not blind us to the fact that there are a number of important considerations that merit close examination.

Importance of the Soviet Growth Threat

The Soviet Threat is one of these.

The Soviet threat is real and has many points of thrust. It would be perilous to underestimate the danger. But how is it related to our own economic growth? Some people fear that the Russians will "catch up" to us someday and so fulfill the Khrushchev boast about burying us. Others fear that rapid Soviet growth will increase Russian military potential so greatly as to jeopardize the free world's defenses. Still others fear possible adverse "demonstration effects" of rapid Soviet development—that underdeveloped and uncommitted nations will turn to communism as a way of achieving national strength, politically and economically. All these fears merit sober consideration—more consideration than can be given to them here.

First, it should be pointed out that we have a commanding lead over Russia in terms of both total and per capita output. Even if Russian growth rates continue higher than ours, the absolute gap between us will continue to *increase* for some time to come.

Second, we don't know how large the gap really is — except that it is large. As was mentioned earlier, international comparisons, even if we had good data, are a difficult and unrewarding business. We don't know whether Russian GNP is one-half of ours or one-quarter of ours.

Third, international comparisons of rates of growth can be even more misleading than comparisons of levels of output. The Russians, starting from a lower economic base and in a period of postwar reconstruction, should be expected to have a fairly high percentage rate of expansion. Moreover, they are able to take over the accumulated technology already developed and exploited elsewhere. Furthermore, they are transferring masses of people out of low productivity employment in agriculture to industry with its more highly valued output per man hour. They still have approximately 50% of their labor force in agriculture; we have only about 8%. Our employment is expanding in services, where improvements in output per man hour are slow and limited. In other words, Russian growth is more rapid because they are still in the area where improvement is easy and the way has been shown, whereas we are more heavily involved in the difficult tasks of expanding productivity in medicine, journalism, education, engineering, and other services.

In short, there is no possibility that the Russian economy will overtake ours, at any time in the visible future—certainly not in this century. We should not begrudge the Russian people whatever rise they may achieve in their material levels of well-being in return for the privation and hardships they have suffered in the name of economic growth.

Even the "demonstration effects" of Russian economic expansion may be vastly overemphasized. While her 6 to 8 per cent annual rate of growth in total production in recent years may seem impressive, other countries not under Communist domination have and are doing better. The economic progress of West Germany, Japan, and Mexico, for example, is far more striking. As a matter of fact, Russia itself grew faster under the Czars during the decade before the First World War.

Unmet Social Needs is a slogan we hear these days as a call for accelerated growth. According to this argument, if we grow faster we will be better able to provide a greater variety of public services and to eliminate what we now regard as poverty.

One of the more pretentious versions of the "needs" argument is that we have shameful public squalor in the midst of vulgar private opulence. This argument has a strong authoritarian smell, an ordor of desire to enforce the advocates' tastes on others through governmental machinery. It is reminiscent of groups abroad that used government power to burn other people's books, but our group wants to burn other people's tail fins. The argument about "public squalor" would be laughed out of court if confronted with the facts of the past decade on construction of schools, improvements in teachers' salaries, superhighways built, increases in the support of research, expansion in aid to the needy, diseases conquered, urban redevelopment, hospitals built, or indeed almost anything else. Growth in public services has been enormous in the past decade. The unmet-social-needers resort to pointing out plaintively that we don't yet have everything that they think we should want and to lamenting that private opulence dulls interest in social revolution.

The public squalor argument is, in fact, simply this decade's battlecry of socialism, which—intellectually bankrupt after more than a century of seeing one after another of its arguments for socializing the *means* of production demolished—now seeks to socialize the *results* of production.

Aiding the Economic Development of Other Nations is another reason often advanced for trying to accelerate our own rate of growth. This is a laudable and continuing goal of public policy. But it does not follow that increasing our own rate of growth and raising our own level of living will have much influence on the rate of economic progress elsewhere.

The problems of world economic development are formidable. The pressure of population on arable land, the extremes of ignorance in many underdeveloped countries, the diversity of languages, cultures, and political institutions — these and many other economic and social factors are far more important than the direct and indirect aid that we can give. This is not to underestimate the significant contribution that our foreign aid, investment, and technology can make to world development. But what we can achieve depends primarily upon how we allocate our resources to various ends, and on the kinds of international and domestic policies we pursue, rather than on variation in our own rate of growth. Our import and export policies, for example, are vastly more important to underdeveloped countries than whether our GNP grows at 2 per cent or 5 per cent per year.

The Real Growth Imperatives arise from the fact that a strong economy is a growing economy. An economy with a high per capita income such as ours generates a large volume of private saving which must flow into capital accumulation if the economy is to sustain itself. In other words, the continued vitality of the system requires growth.

But beyond such technical matters, we desire growth to promote our private ends and national purposes. It is that simple; we want growth because it enlarges the opportunities of our children, because it expands our capacities to pursue goals of our own choosing, because it increases the range of choices open to us, because it is a rewarding outlet for our creative energies and imagination, because achievement invigorates and stimulates. In short, through economic growth we lead richer and fuller lives.

Moreover, we desire growth for the preservation of our way of life. By continued growth we demonstrate to ourselves, and perhaps to the world, that our system of free enterprise and representative government is indeed strong and able to fulfill rising aspirations and to enhance the dignity of free men. We need to grow to demonstrate that our system is not headed for inevitable collapse, but will survive even in a world of oppression and hostility.

How to Grow?

For a variety of reasons there is general agreement that economic growth is an important goal of economic policy. But there is disagreement over the relative importance of growth as compared with other goals and even more disagreement over the means by which growth should be pursued.

Growth is only one of several major goals of economic policy. Economic freedom, stability of employment, stability of the general price level, economic efficiency, and economic security all are important. Properly conceived and pursued, economic growth is compatible with all these other goals; but it becomes incompatible when pursued too ardently or by inappropriate means. Policies to promote growth or any other goal must reflect a compromise among competing goals.

Growth entails certain costs, and attempts to achieve greatly accelerated statistical growth rates may be costly in terms of human hardship. New machines may reduce prematurely not only the value of old machines but also the value of human skills acquired through long training and experience. New products may reduce the incomes of those producing old products. New industries in new locations may uproot homes and communities near old industries. Unless the costs of economic growth are equitably distributed, it is only reasonable to expect strong resistance to growth and its accompanying changes.

To get high rates of growth

through more rapid capital accumulation means that people must save more, either voluntarily or by compulsion. In the Soviet Union people are forced to sacrifice current consumption and liberty to meet targets of capital formation imposed by the authorities. As much as Americans want economic growth, compulsions and depressed levels of consumption are costs which they would not willingly pay except in dire emergency.

A great variety of recipes for growth are in current vogue. Most of them are hackneyed antiques, spruced up a bit with new phrases and served under new names. In the main, these recipes represent two fundamentally different approaches: mercantilism and economic liberalism.

In many ways the debate about economic growth today is similar to the great debate two centuries ago over how best to promote the wealth of nations. The mercantilist approach of the 17th and 18th centuries was an engineering approach. The government by detailed design and elaborate regulation of economic life attempted to impose a coordinated plan of growth on society. Sumptuary laws to prevent frippery and waste, public monopolies to channel investment wisely, detailed regulation of labor and trade—all these were part of the scheme of things. Mercantilism gave way to economic liberalism—a biological approach to growth with the government cultivating growth, not imposing it.

The great success of the biological approach, especially in Great Britain and the United States is a matter of historical record. It remains to be seen whether our basically liberal approach will give way to a rising tide of mercantilist reaction.

Attacks Our Neo-Mercantilists

Today, one school of thought, the modern mercantilists, say that the government should create growth by massive increases in the quantity and diversity of government services and activity—in short, that government should force growth on the economy. This approach also involves forcing people to save more either through taxes or through inflation, in order to divert resources into collective use.

The opposite school of thought, the supporters of an open society, hold that the kinds and levels of public services should be determined on the basis of what we really want government to produce, that each governmental activity should be justified either on cost-benefit principles or on sound grounds of social responsibility, and that government can best promote growth by policies which release and give effect to the creative energies of private citizens.

While the factors that determine percentage rates of growth over a span of years are not fully understood, the success of past growth efforts and accumulated economic knowledge do tell us a good deal about the conditions of economic progress and how the government can best cultivate growth.

The underlying forces that promote national economic growth are basically the same as those that account for the economic progress of individuals. An individual's desire for a higher and more secure standard of living for himself and for his family is the basic stimulus. To this end he studies, plans, works, saves, and invests. He searches out new ways of doing things, and develops new techniques and processes. Hence, one of the most effective means of stimulating economic growth — and at the same time one of our fundamental objectives in seeking economic growth—is to provide expanding opportunities for every individual to realize his own potentialities to the utmost and to open wider vistas for his children; to encourage initiative, independence, and integrity; to preserve and enlarge the moral worth of the individual; and to approach more closely to our ideals of personal freedom, justice and fair play, broad and equal opportunity, the rule of law, and mutual respect and charity.

Growth requires a flexible and adaptable economic system with freedom to experiment. New industries must spring up, and others must decline. New methods must be accepted and old ones discarded. Labor and capital must shift easily and cooperatively in response to economic rewards and penalties. The combination of an abundant flow of new ideas, a willingness to take risks, and the speedy adoption of successful new methods is a condition for a high rate of growth.

The translation of new ideas into practical processes is speeded by a high rate of saving, through which new equipment can be financed and put into use. Saving also contributes to growth even where new methods are not involved, since it makes possible a larger stock of plant and equipment, housing, and other physical capital, which add to our potential supply of goods and services. In this way, the prudence and responsible foresight of people in providing for future needs makes an essential contribution to our growth.

All of this requires an economic environment that can be brought about and maintained only by positive and progressive governmental actions. The government has a two-fold function in promoting growth. First, it must provide a legal and institutional climate conducive to private economic progress. Second, the government must provide various public services and facilities which, while valuable to the nation as a whole, do not offer sufficient rewards to induce private producers to provide them for sale, or do not offer sufficient direct benefits to induce private individuals to buy them.

Sums Up Ten Essentials for Growth

Ten essentials of a positive government program for growth are as follows:

(1) *Orderly Government.* People must be free to pursue their private affairs — to work, save, invest, enter into contracts without fear of fraud, confiscation, or violence.

(2) *Equality of Opportunity.* Only when each individual has the opportunity to develop his potential to the fullest and to utilize his skills to the utmost will we obtain maximum growth. Public policy should be aimed at eliminating discrimination in education and employment, whether it results from color, religion, sex, birthplace, or social class. Our economy must be open to the ambitious and the able.

(3) *Price Level Stability.* Marked inflation or deflation destroys economic efficiency, distorts resource allocation, and retards growth. Monetary, budget, and debt policies should be conducted in such a manner as to promote reasonable stability of the general price level.

(4) *Stability of Employment and Income.* Occasional mild fluctuations in the level of economic activity are not yet avoidable, much as we all wish otherwise. In fact, the surest thing that can be said about our future growth rate is that it will fluctuate. But national policies must deal effectively with recessions so as to assure continuity of maximum employment opportunities and to alleviate the consequences of such involuntary unemployment as may occur. To achieve maximum sustainable growth, national policies must also present speculative excesses in boom periods.

(5) *Taxes.* Tax policy must serve several masters, and economic growth should be one of them. Taxes which penalize thrift, risk-bearing, and innovation have no place in a good tax system. Punitive rates applied to too narrow a base, a great hodgepodge of exemptions and exclusions, and discriminatory levies distort resource use and impede healthy growth. Tax reform should be directed toward improving the quantity and quality of investment, releasing incentives to personal effort, improving the cyclical flexibilty of the tax system as a whole, and treating equally people in equal economic circumstances.

(6) *Maintaining Competition.* Competition is the lifeblood of a free economy. To keep the system strong and growing the lines of entry into industry must be kept open, and monopolistic barriers to progress must be eliminated. A positive and vigorous anti-trust program is essential to growth. Restrictive labor practices, likewise, need to be eliminated. Regulatory activities of government should be aimed at protecting the consumer and should not be allowed to stifle competition and prevent innovation in the regulated industries.

(7) *International Trade.* International trade is a powerful ally of growth. By trade we can produce indirectly a greater quantity and variety of goods and services than by domestic production alone. The pressure of foreign competition also keeps our own industries more efficient. Continued efforts to reduce or eliminate trade barriers at home and abroad will pay large dividends in growth.

(8) *Governmental Blocks to Growth.* Although economic growth is an avowed goal of policy, many governmental programs and activities tend to block growth. Growth involves change. When the government protects the status quo or insulates particular groups of business, labor, or consumers from the causes of effects of change, it retards growth. Many pernicious and unwarranted obstacles to growth are to be found in our agricultural policies, business subsidies, natural resource policies, regulation of industry, foreign trade policies, and grants-in-aid. If we are really serious about accelerating our growth, one of our first orders of business should be an attack on the whole structure of inefficiencies and impediments to growth induced by governments at all levels.

(9) *Public Works.* Growth requires social as well as private investment. The government makes a genuine contribution to economic growth when it provides complementary public facilities and services desired by the community. But here strict cost-benefit principles should apply or growth will be retarded. Because public services are generally not valued in the market place, economic criteria are difficult to apply. Realism and restraint are, therefore, of crucial importance in the use of public funds.

(10) *Maintenance and Development of the System.* Certain kinds of governmental expenditures to promote science, technology, health, and education also promote growth. Here again strict criteria should be applied, at least insofar as economic growth is to be served. Governmental activities should not supplant private activities and should be restricted to those areas where substantial benefits from governmental action are clearly apparent.

Conclusion

We are in the midst of a great national debate over economic growth. But until we understand what growth is, why it is an important policy goal, and how it can be achieved within a framework of economic and political freedom, the debate will range over many false and confused issues.

True growth in economic welfare involves both material and non-material benefits, widely diffused. True growth must conform to the values and aspirations of a free people. The "right" or optimum rate of growth is that rate which conforms to the voluntary choices of the people, rather than a rate obtained by coercion, compulsion, or excessive social costs. The rate of growth can be increased by improving the efficiency of the economic system and by pursuing wise public policies to create a favorable environment for growth.

The future chapters of our story of economic growth are still to be written. We can be confident that these chapters will be happy ones if we have the wit and wisdom to preserve and strengthen the forces of progress that have produced in America an abundant economy, a great nation, and a free people.

*An address by Mr. Wallis at the Third Annual Loeb Awards Presentation luncheon in honor of business and financial journalists New York City, June 8, 1960.

Form Copley Secs. Corp.

Copley Securities Corporation has been formed with offices at 1359 Broadway, New York City, to engage in a securities business. Officers are Eugene Nimkoff, President; Louis M. Mintz, Secretary; and Hyman Wiener, Treasurer.

Newburger Branch

ATLANTIC CITY, N. J. — Newburger & Company has opened a branch office in the Anchor Savings Building under the management of Richard E. Foltz. Jesse A. Foltz and Dominick Bianchini are associate managers of the new office.

Schirmer, Atherton Branch

LYNN, Mass. — Schirmer, Atherton & Co. has opened a branch office at 117 Broad Street under the management of Joseph Wineapple.

Abraham & Co. to Admit Irving Kahn

Abraham & Co., 120 Broadway, New York City, members of the New York Stock Exchange on July 1st will admit Irving Kahn to partnership. Mr. Kahn is a partner in J. R. Williston & Beane.

To Be Gross Partner

On July 1st Samuel Ochs will become a partner in Gross & Company, 15 Broad street, New York City, members of the New York Stock Exchange.

Puerto Rico Bonds Being Marketed

An underwriting syndicate jointly managed by The Chase Manhattan Bank; Morgan Guaranty Trust Co. of New York, and Ira Haupt & Co. was awarded on June 15 an issue of $17,000,000 Commonwealth of Puerto Rico Public Improvement Bonds, due July 1, 1961 to 1980, inclusive. The group submitted a bid of 100.012999 for the bonds as 5, 3¾s, and 3.90s, setting a net interest cost of 3.89437% to the borrower.

On reoffering to the public, the bonds are scaled from a yield of 2.50%, out to a dollar price of par.

Other members of the offering group include:

Halsey, Stuart & Co. Inc.; Drexel & Co.; Banco Credito y Ahorro Ponceno, Ponce, P. R.; Banco de Ponce, Ponce, P. R.; Salomon Bros. & Hutzler; White, Weld & Co.; Phelps, Fenn & Co.; Blair & Co., Inc.; R. W. Pressprich & Co.; Allen & Co.;

Hornblower & Weeks; L. F. Rothschild & Co.; American Securities Corp.; G. H. Walker & Co.; F. S. Moseley & Co.; Paine, Webber, Jackson & Curtis; Reynolds & Co.; Francis I. duPont & Co.;

Hayden, Stone & Co.; W. E. Hutton & Co.; Dominick & Dominick; Coffin & Burr, Inc.; Wm. E. Pollock & Co., Inc.; Hirsch & Co.; Laidlaw & Co.; Gregory & Sons; Cruttenden, Podesta & Co., Chicago; Wallace, Geruldsen & Co., Chicago.

J. J. Krieger & Co. Offers Speed-Way

150,000 shares of the common stock (par value one cent) common stock of Speed-Way Food Stores Inc. are being offered at $2.00 per share by J. J. Krieger & Co., Inc. of 120 Liberty St., New York 6. The Brooklyn-based food chain will use the net proceeds of the offering for general corporate purposes.

Merrill Lynch Open Branch Office in Montreal

MONTREAL, QUE., Canada — Merrill Lynch, Pierce, Fenner & Smith, Incorporated has opened a branch office at 635 Dorchester Boulevard, West, under the management of Paul Sullivan.

Wagenseller Branch

SANTA ANA, Calif.—Wagenseller & Durst, Inc., has opened a branch office at 811 North Broadway, under the management of Robert G. Mawhinney.

NSTA NOTES

UTAH SECURITY DEALERS ASSOCIATION

The Utah Security Dealers Association has elected the following new officers:

Phil S. Tunks

President: Cloyd Goates, Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Vice-President: Phil S. Tunks, J. A. Hogle & Co.

Secretary: Robert Bullen, Schwabacher & Co.

Treasurer: Robert P. Woolley, Robert P. Woolley & Company.

Directors: Edward Mawood, Dempsey-Tegeler & Co.; Robert Whitney, Whitney and Company; Calvin P. Gaddis, Edward R. Burton & Co.; Lincoln R. Ure, Jr., Ure, Davis & Co.; and William S. Aspen, J. A. Hogle & Co.

Cloyd Goates

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	June 18	§62.3	*61.6	71.3	92.5
Equivalent to—					
Steel ingots and castings (net tons)	June 18	§1,775,000	*1,756,000	2,031,000	2,620,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	June 3	6,780,960	6,814,560	6,771,210	7,032,325
Crude runs to stills—daily average (bbls.)	June 3	¶7,961,000	7,899,000	7,788,000	8,204,000
Gasoline output (bbls.)	June 3	28,943,000	28,654,000	26,924,000	29,152,000
Kerosene output (bbls.)	June 3	2,276,000	2,324,000	2,010,000	1,956,000
Distillate fuel oil output (bbls.)	June 3	12,245,000	12,305,000	11,636,000	12,683,000
Residual fuel oil output (bbls.)	June 3	6,229,000	6,304,000	5,697,000	7,141,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	June 3	209,908,000	211,653,000	218,772,000	203,605,000
Kerosene (bbls.) at	June 3	25,017,000	24,421,000	21,468,000	25,063,000
Distillate fuel oil (bbls.) at	June 3	96,341,000	91,453,000	83,501,000	102,496,000
Residual fuel oil (bbls.) at	June 3	39,997,000	39,997,000	38,705,000	55,615,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	June 4	574,301	640,388	641,703	680,617
Revenue freight received from connections (no. of cars)	June 4	494,631	539,262	551,838	566,588
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	June 9	$482,000,000	$648,000,000	$385,800,000	$522,800,000
Private construction	June 9	232,200,000	481,600,000	206,000,000	252,500,000
Public construction	June 9	249,800,000	166,400,000	179,800,000	270,300,000
State and municipal	June 9	187,100,000	131,300,000	140,600,000	211,800,000
Federal	June 9	62,700,000	35,100,000	39,200,000	58,500,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	June 4	8,010,000	*8,440,000	8,275,000	8,516,000
Pennsylvania anthracite (tons)	June 4	294,000	313,000	278,000	380,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	June 4	131	139	156	150
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	June 11	13,766,000	13,134,000	13,350,000	13,503,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	June 9	283	274	304	295
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	June 7	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	June 7	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	June 7	$31.50	$32.50	$33.17	$37.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	June 8	32.600c	32.600c	32.600c	31.150c
Export refinery at	June 8	29.725c	29.300c	30.600c	29.175c
Lead (New York) at	June 8	12.000c	12.000c	12.000c	12.000c
Lead (St. Louis) at	June 8	11.800c	11.800c	11.800c	11.800c
‡Zinc (delivered) at	June 8	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	June 8	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	June 8	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	June 8	101.000c	100.125c	99.250c	104.750c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	June 14	86.82	86.55	84.96	83.42
Average corporate	June 14	85.20	85.20	84.94	86.24
Aaa	June 14	89.51	89.64	89.51	89.23
Aa	June 14	87.59	87.45	87.32	87.99
A	June 14	84.81	84.68	84.43	86.11
Baa	June 14	79.25	79.49	78.90	81.90
Railroad Group	June 14	83.15	83.40	82.52	85.33
Public Utilities Group	June 14	85.46	85.46	85.33	85.33
Industrials Group	June 14	86.91	86.91	86.91	87.99
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	June 14	3.86	3.88	4.06	4.13
Average corporate	June 14	4.77	4.77	4.79	4.69
Aaa	June 14	4.45	4.44	4.45	4.47
Aa	June 14	4.59	4.60	4.61	4.56
A	June 14	4.80	4.81	4.83	4.70
Baa	June 14	5.25	5.23	5.28	5.03
Railroad Group	June 14	4.93	4.91	4.98	4.76
Public Utilities Group	June 14	4.75	4.75	4.76	4.76
Industrials Group	June 14	4.64	4.64	4.64	4.56
MOODY'S COMMODITY INDEX	June 14	376.5	376.5	381.8	387.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	June 4	327,221	313,558	345,576	348,856
Production (tons)	June 4	289,565	310,595	312,547	295,007
Percentage of activity	June 4	85	93	93	88
Unfilled orders (tons) at end of period	June 4	480,507	448,196	475,187	548,933
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	June 10	110.31	110.31	110.95	110.29
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	May 20	3,462,440	2,417,180	2,268,570	2,332,450
Short sales	May 20	690,460	449,890	405,650	348,200
Other sales	May 20	2,744,410	1,965,900	1,955,400	2,074,430
Total sales	May 20	3,434,870	2,415,790	2,361,050	2,422,630
Other transactions initiated off the floor—					
Total purchases	May 20	600,680	394,790	370,460	466,020
Short sales	May 20	171,220	43,500	44,700	29,100
Other sales	May 20	511,800	333,020	370,130	477,600
Total sales	May 20	683,020	376,520	414,830	506,700
Other transactions initiated on the floor—					
Total purchases	May 20	1,037,225	723,021	716,082	689,630
Short sales	May 20	183,280	139,940	104,820	118,160
Other sales	May 20	959,878	718,619	722,275	724,959
Total sales	May 20	1,143,158	858,559	827,095	843,119
Total round-lot transactions for account of members—					
Total purchases	May 20	5,100,345	3,534,991	3,355,112	3,488,100
Short sales	May 20	1,044,960	633,330	555,170	495,460
Other sales	May 20	4,216,088	3,017,539	3,047,805	3,276,989
Total sales	May 20	5,261,048	3,650,869	3,602,975	3,772,449
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	May 20	2,057,726	1,726,857	1,894,274	1,786,479
Dollar value	May 20	$100,648,152	$83,414,474	$95,585,664	$95,625,800
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	May 20	1,917,146	1,559,486	1,643,615	1,628,061
Customers' short sales	May 20	12,115	17,181	14,562	6,566
Customers' other sales	May 20	1,905,031	1,542,305	1,629,053	1,621,495
Dollar value	May 20	$93,315,084	$73,966,740	$80,079,227	$85,210,523
Round-lot sales by dealers—					
Number of shares—Total sales	May 20	556,360	419,810	438,980	448,820
Short sales	May 20	------	------	------	------
Other sales	May 20	556,360	419,810	438,980	448,820
Round-lot purchases by dealers— Number of shares	May 20	663,470	593,980	647,870	599,580
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	May 20	1,188,650	792,470	692,620	567,330
Other sales	May 20	19,301,760	15,051,040	14,745,520	16,290,710
Total sales	May 20	20,490,410	15,843,510	15,438,140	16,858,040
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	June 7	119.7	119.7	119.9	119.4
Farm products	June 7	89.5	*89.7	91.5	90.6
Processed foods	June 7	107.5	107.3	107.3	107.1
Meats	June 7	98.0	97.5	97.1	101.2
All commodities other than farm and foods	June 7	128.4	128.4	128.4	127.9

*Revised figure. ¶Includes 1,124,000 barrels of foreign crude runs. §Based on new annual capacity of 148,570,970 tons as of Jan. 1, 1960 as against Jan. 1, 1959 basis of 147,633,670 tons. †Number of orders not reported since introduction of Monthly Investment plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of March	170,688	156,825	157,189
Stocks of aluminum (short tons) end of Mar.	114,984	117,142	159,177
AMERICAN PETROLEUM INSTITUTE—Month of March:			
Total domestic production (barrels of 42 gallons each)	250,956,000	237,562,000	250,167,000
Domestic crude oil output (barrels)	220,977,000	209,986,000	222,839,000
Natural gasoline output (barrels)	29,956,000	27,559,000	27,281,000
Benzol output (barrels)	23,000	17,000	47,000
Crude oil imports (barrels)	29,292,000	29,730,000	28,113,000
Refined product imports (barrels)	29,966,000	29,377,000	40,638,000
Indicated consumption domestic and export (barrels)	344,746,000	307,260,000	311,601,000
Decrease all stocks (barrels)	34,532,000	*10,591,000	7,317,000
AMERICAN ZINC INSTITUTE, INC.—Month of May:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	79,216	83,221	77,489
Shipments (tons of 2,000 pounds)	62,039	71,926	85,348
Stocks at end of period (tons)	165,038	147,861	196,004
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of May (in millions):			
Total new construction	4,535	4,131	4,755
Private construction	3,168	2,944	3,287
Residential buildings (nonfarm)	1,747	1,624	1,972
New dwelling units	1,248	1,190	1,473
Additions and alterations	425	365	438
Nonhousekeeping	74	69	61
Nonresidential buildings	770	736	687
Industrial	206	207	154
Commercial	324	300	320
Office buildings and warehouses	168	161	159
Stores, restaurants, and garages	156	139	161
Other nonresidential buildings	240	229	213
Religious	77	75	71
Educational	46	45	41
Hospital and institutional	46	46	46
Social and recreational	53	47	41
Miscellaneous	18	16	14
Farm construction	143	125	155
Public utilities	485	440	458
Telephone and telegraph	107	92	81
Other public utilities	378	348	377
All other private	23	19	15
Public construction	1,367	1,187	1,468
Residential buildings	62	60	92
Nonresidential buildings	397	375	385
Industrial	34	33	30
Educational	235	222	227
Hospital and institutional	35	34	38
Administrative and service	52	47	51
Other nonresidential buildings	41	39	39
Military facilities	92	90	144
Highways	516	390	549
Sewer and water systems	128	123	122
Sewer	77	75	74
Water	51	48	48
Public service enterprises	50	43	49
Conservation and development	105	91	105
All other public	17	15	22
BUILDING PERMIT VALUATION — DUN & BRADSTREET. INC.—217 CITIES—Month of April:			
New England	$32,349,706	$23,513,930	$35,648,480
Middle Atlantic	39,347,513	51,828,277	42,440,216
South Atlantic	64,795,834	63,580,208	57,678,039
East Central	108,183,722	90,942,023	121,730,252
South Central	94,933,186	109,396,294	109,864,261
West Central	38,262,741	28,878,541	52,480,793
Mountain	30,136,505	35,087,559	36,749,757
Pacific	120,448,504	156,176,768	140,873,106
Total United States	$528,457,711	$559,403,600	$597,464,904
New York City	65,865,346	133,454,537	111,475,157
Total including New York City	$594,323,057	$692,858,137	$708,940,061
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES — Month of April (Millions of dollars):			
Manufacturing	$54,700	$54,700	$51,100
Wholesale	12,900	12,900	12,000
Retail	25,800	25,800	25,300
Total	$93,400	$93,400	$88,400
COAL OUTPUT (BUREAU OF MINES)—Month of May:			
Bituminous coal and lignite (net tons)	35,760,000	34,685,000	35,323,000
Pennsylvania anthracite (net tons)	1,236,000	1,231,000	1,388,000
COKE (BUREAU OF MINES)—Month of April:			
Production (net tons)	5,760,669	*6,377,466	6,235,980
Oven coke (net tons)	5,653,846	*6,243,212	6,074,002
Beehive coke (net tons)	106,823	*134,254	161,978
Oven coke stock at end of month (net tons)	3,752,298	*3,673,465	3,422,876
DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—1947-49 Average=100—Month of May:			
Adjusted for seasonal variation	140	*154	144
Without seasonal adjustment	137	*150	141
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S.—AUTOMOBILE MANUFACTURERS' ASSN.—Month of May:			
Total number of vehicles	730,523	696,723	660,361
Number of passenger cars	612,094	583,626	547,326
Number or motor trucks	118,029	112,717	112,660
Number of motor coaches	400	380	375
PORTLAND CEMENT (BUREAU OF MINES)—Month of April:			
Production (barrels)	27,015,000	18,422,000	29,093,000
Shipments from mills (barrels)	27,341,000	17,681,000	30,135,000
Stocks at end of month (barrels)	38,542,000	39,163,000	36,378,000
Capacity used (per cent)	80	53	88
RAILROAD EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of April:			
Total operating revenues	$823,593,483	$847,576,624	$856,291,478
Total operating expenses	634,099,769	658,625,859	652,676,733
Taxes	94,334,886	98,078,746	94,204,791
Net railway operating before charges	65,124,764	61,150,611	82,274,098
Net income after charges (estimated)	48,000,000	44,000,000	62,000,000
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES (BUREAU OF MINES)—Month of March (in long tons):			
Stocks in beginning of period	34,640	37,795	31,545
Receipts	7,200	4,240	7,130
Supply	41,840	42,035	38,675
Stocks at end of period	33,765	34,640	31,050
Total processed	8,075	7,395	7,625
Intercompany scrap transactions	200	115	115
Consumed in manufacturing	7,875	7,280	7,510
Primary	5,190	4,760	4,700
‡Secondary	2,685	2,520	2,810

‡Includes tin content of imported tin-based alloys. *Revised figure.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

Appointments of Ruby L. Walters and Helen Walsh as Assistant Vice-Presidents of **Manufacturers Trust Company, New York** was announced by Horace C. Flanigan, Chairman of the Board.

Mrs. Walters, joined Manufacturers Trust in 1948 and in 1954 was appointed an Assistant Secretary. That same year she moved to the Bank's Fifth Avenue Office, where she is presently assigned.

Miss Walsh, a commercial loan officer of the Bank, came to Manufacturers Trust in 1926. Miss Walsh is assigned to the Bank's Union Square Office.

Appointment of George Skakel, as a member of the Advisory Board was also announced by Mr. Flanigan.

Appointment of James J. Hackett, as a member of the advisory board of Manufacturers Trust Company's Empire State Office was also announced by Mr. Flanigan.

* * *

The Chase Manhattan Bank, New York, on June 15 started business at a new branch in Brooklyn, at Bush Terminal, 41st Street and Second Avenue, the bank's ninth in the borough and 105th in the city.

* * *

Commercial Bank of North America, New York, N. Y. received approval from the New York State Banking Department to increase its capital stock from $2,731,490 consisting of 546,298 shares of the par value of $5 each, to $2,799,780 consisting of 559,956 shares of the same par value.

* * *

Joseph Pulvermacher, President of **Sterling National Bank & Trust Company of New York,** announced the following appointments and promotions: Henry F. Gorring from Assistant Comptroller to Assistant Vice-President; Harry L. Kurnit, Auditor; Harold J. Powers, Assistant Cashier, and Ralph D. Yeager, Assistant Cashier.

* * *

The Bankers Trust Company, New York, announced plans June 13 to acquire the **South Shore Bank of Staten Island, Great Kills, N. Y.** The merger will give the Bankers Trust its first representation on Staten Island.

William H. Moore, Chairman of Bankers Trust, and J. A. Springstead, President of the South Shore Bank of Staten Island, said the offer called for an exchange of six shares of Bankers Trust Company stock for each share of the South Shore Bank of Staten Island.

Directors of both banks have approved the plan. Shareholders will vote at special meetings on July 13. Approval is also required of the State Banking Department and the Federal Reserve Board.

* * *

John J. Harnett and Daniel J. Carney have been elected Vice-Presidents of the **Lafayette National Bank of Brooklyn, N. Y.**

* * *

Stockholders of the **Franklin National Bank of Long Island,** as a special meeting held June 9, approved a change in the Bank's main office from Franklin Square to Mineola. 81% of the 3,233,800 shares of stock outstanding were voted; 80% approved and 1% disapproved. The change will become effective when formally approved by the Comptroller of the Currency; tentative approval has already been granted by the Comptroller's office.

* * *

The State Banking Department, June 9 announced that G. Russell Clark, State Superintendent of Banks, had signed the authorization for the **Roslyn Savings Bank** to move its main office from Roslyn, N. Y. to Mineola, N. Y.

* * *

Andrew T. Doig was elected a Vice-President of **The County Trust Company, White Plains, N. Y.** on June 9.

Mr. Doig has been with the organization since 1938. He was named Assistant Treasurer in 1954 and became Assistant Vice-President three years ago.

* * *

The Salem National Bank, Salem, New York, will be merged into a **Marine Midland Bank, The Manufacturers National Bank of Troy,** subject to approval of the respective bank stockholders and regulatory banking authorities, according to a joint announcement by the three Presidents, Charles B. McKee, Salem National, Chester F. Millhouse, Manufacturers National, and Baldwin Maull, Marine Midland Corporation. The directors of both Banks and the bank holding company already have approved a plan of merger which provides for the Salem Bank stockholders to receive Marine Midland Corporation common stock and for the Salem Bank to operate as an office of Manufacturers National Bank of Troy.

Included in the tentative plan is the appointment of the present Salem Bank's Board of Directors as an advisory board to the **Troy Marine Midland Bank** with Charles B. McKee as advisory board Chairman. The complete Salem National staff will receive the broad employee benefits available through the larger Bank, including a pension program with full credit for past years of service.

* * *

The Board of Directors of the **Worcester County National Bank, Worcester, Mass.,** voted to hold a special meeting of the shareholders to consider and vote on the reduction of the par value of Capital Stock from $25 to $10, thus splitting the stock two and one-half for one. This will increase the number of issued and outstanding shares of Capital Stock from 130,000 to 325,000 shares.

It was further announced that the voting would authorize the issuance of 32,500 ($10 par stock) to be offered to shareholders at $35 per share in the ratio of one new share for every 10 shares held. This will increase the Capital Stock from $3,250,000 to $3,575,000. The Surplus will be increased by $812,500.

* * *

The new Merchants Office of the **National State Bank of Newark, N. J.,** was formally opened June 13, in the Prudential Plaza Building.

* * *

George Munsick, President, **Trust Company of Morris County,** has announced the appointment of David T. Pyne as Assistant Trust Officer and Assistant Secretary.

* * *

Union Trust Company of the District of Columbia, Washington, D. C., increased its common capital stock from $2,800,000 to $3,000,000 by a stock dividend effective as of June 1. (Number of shares outstanding—300,000 shares, par value $10.)

* * *

Continental Illinois National Bank and Trust Company, Chicago, Ill., announced June 10 the creation effective July 1 of a three-man top management term headed by David M. Kennedy, Board Chairman and Chief Executive Officer.

At the same time it was announced that Richard A. Aishton, President, will leave that position June 30 under the bank's retirement program.

In addition to Mr. Kennedy, members of the new management group will be Donald M. Graham, who was elected Vice-Chairman of the Board, and Tilden Cummings, who was named President. Both Mr. Graham and Mr. Cummings were also elected directors, succeeding James R. Leavell and John Holmes, who retired. Mr. Aishton remains a director.

Mr. Graham joined the bank as Vice-President in 1953, and was named Senior Vice-President last December.

Mr. Cummings joined the bank in 1932, was elected Vice-President in 1947 and became Senior Vice-President last December.

Mr. Kennedy said Mr. Cummings' duties will be largely in the commercial banking area, while Mr. Graham's will be in the field of general administration.

When Mr. Aishton retires June 30 he will close a career that dates back to 1919, when he joined the old **Continental and Commercial National Bank.** He was elected Assistant Cashier in 1923 and was elected Senior Vice-President in 1954. He was promoted to the Presidency in January, 1959, succeeding Mr. Kennedy who was elected Board Chairman at that time.

Mr. Leavell was President of the bank from 1930 to 1948.

* * *

First National Bank, of Chicago, Ill., elected Alvin C. Johnson and Rudolph E. Palluck Vice-Presidents.

* * *

Sears Bank & Trust Co., Chicago, Ill., elected James E. Thompson, Chairman and continues as President and Chief Executive Officer. He succeeds Crowdus Baker, who resigned as Chairman but continues as a Director.

* * *

By a stock dividend the common capital stock of **The First National Bank in Altus, Altus, Okla.,** was increased from $100,000 to $200,000 effective June 1. (Number of shares outstanding—2,000 shares, par value $100.)

* * *

The Board of Directors of **American Commercial Bank and Security National Bank of Greensboro, N. C.,** have announced an agreement to consolidate the two banks into one institution, subject to the approval of the stockholders of both banks and of the Federal regulatory authorities. The national banking authorities have already issued preliminary approval.

The new name agreed on for the combined bank is **North Carolina National Bank.** The consolidation will be effective under the new name as soon as the Comptroller of the Currency gives final approval.

* * *

The common capital stock of **The Atlantic National Bank of Jacksonville, Jacksonville, Fla.,** was increased from $4,000,000 to $4,400,000 by a stock dividend and from $4,400,000 to $5,000,000 by the sale of new stock effective June 2. (Number of shares outstanding — 500,000 shares, par value $10.)

* * *

The Office of the Comptroller of the Currency issued a charter on May 31 to the **Florida National Bank at Port St. Joe, Port St. Joe, Gulf County, Fla.** The President is J. L. Sharit and the Cashier is Walter C. Dodson. The bank has a capital of $100,000 and a surplus of $174,220.92. This is a conversion of the **Florida Bank at Port St. Joe, Port St. Joe, Fla.**

* * *

A charter was issued on May 27 by the Office of Comptroller of the Currency to the **Westview National Bank, Waco, Waco, McLennan County, Texas.** The President is Walter B. Dossett and the Cashier is Guy D. Davidson. The bank has a capital of $200,000 and a surplus of $200,000.

A. G. Becker Heads Crawford Offering

A. G. Becker & Co. Incorporated, heads an underwriting group which offered on June 14, 160,000 shares of Crawford Corp. common stock, $1 par value, at a price of $13 per share.

Proceeds from the sale of 80,000 shares will go to the company for addition to working capital and general corporate purposes. An additional 80,000 shares are being sold by certain selling stockholders.

Crawford Corp. and its subsidiaries are principally engaged in the production and sale of manufactured homes and the acquisition, development and sale of residential properties in the southeastern United States. All outstanding shares of the company and its subsidiaries and affiliated companies having formerly been closely held, there has been no previous public market for its stock.

Giving effect to the current issue, capitalization will consist of 186,472 shares of common stock and 494,227 shares of class B common stock.

Consolidated earnings for the year ended March 31, 1959 were $680,554, equal to $1.13 per share. For the nine months ended Dec. 31, 1959, earnings were $545,787, equal to 91 cents per share.

Burnham Heads Henderson Off'g.

A public offering of 200,000 shares of common stock of Henderson's Portion Pak, Inc. is being made today (June 16) by an underwriting group headed by Burnham and Co. The stock is priced at $6 per share.

All of the 200,000 shares are being sold for the account of certain selling stockholders of the company and none of the proceeds of the transaction will be received by the company.

Henderson's Portion Pak, Inc., was organized in 1954. In 1955, Henderson's Sea Food, Inc., an affiliated corporation was organized, and on Jan. 2, 1960 the two companies were merged. The company's plants are located in Coral Gables, Florida, where they process and freeze meats, meat products, fish, sea food products and sell the finished items in frozen, ready-to-cook portions of uniform size and quality, primarily for use by restaurants, institutions (schools, hospitals and clubs), and industrial and commercial feeding establishments (in-plant cafeterias and airline caterers).

Consolidated financial statements for the year ended Jan. 30, 1960 showed net sales totaling $6,974,851 and net income of $637,970, equal to 64 cents per share. For the fiscal year ended Jan. 31, 1959 consolidated net sales were $5,810,301 and net income amounted to $234,477 equal to 23 cents per share. Earnings for both years have been computed on the total of 1,000,000 shares of common stock and class B common stock outstanding on Jan. 30, 1960. On May 2, 1960, the directors declared an initial dividend of 7½ cents per share on the common stock to stockholders of record on July 31, 1960. Holders of class B common stock are not entitled to receive any dividends.

There are 200,000 shares of $1 par value common stock and 800,000 shares of $1 par value class B common stock outstanding. Beginning Feb. 1, 1961, shares of class B common stock will be converted into shares of common stock on a share for share basis at an annual rate of 160,000 shares.

Fitchburg Office

FITCHBURG, Mass.—Washington Planning Corporation has opened an office at 327 Main Street.

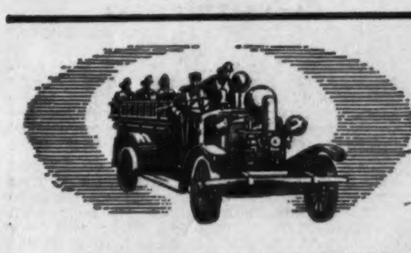
DIVIDEND NOTICES

DIVIDEND NO. 83
Hudson Bay Mining and Smelting Co., Limited
A Dividend of seventy-five cents ($.75) (Canadian) per share has been declared on the Capital Stock of this Company, payable September 12, 1960, to shareholders of record at the close of business on August 12, 1960.
J. F. McCARTHY, *Treasurer*

MRS. WAGNER'S PIES
WAGNER BAKING CORPORATION
The Board of Directors has declared a dividend of $1.75 per share on the 7% Preferred Stock payable July 1, 1960, to stockholders of record June 20, 1960.
C. B. ATKINS, *Secy-Treas.*

United
UNITED SHOE MACHINERY CORPORATION
220th Consecutive Quarterly Dividend
The Board of Directors has declared a dividend of 37½ cents per share on the Preferred stock and 62½ cents per share on the Common stock, both payable August 1, 1960 to stockholders of record July 5, 1960.
FREDERICK A. STEVENS, *Treasurer*
June 8, 1960

New England Gas and Electric Association
COMMON DIVIDEND NO. 53
The Trustees have declared a quarterly dividend of twenty-nine cents (29¢) per share on the common shares of the Association payable July 15, 1960 to shareholders of record at the close of business June 28, 1960.
B. A. JOHNSON, *Treasurer*
June 9, 1960



NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
154th DIVIDEND DECLARATION
The Board of Directors of this company today declared a cash dividend of Fifty Cents (50¢) a share on the capital stock. This cash dividend will be paid June 30, 1960 to stockholders of record at the close of business June 13, 1960.
A K Hatfield
Treasurer
June 7, 1960

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — With perhaps less than three weeks remaining before Congress quits, everything is in readiness for the final big push by the law-makers.

There appears to be little likelihood that Congress will reconvene after the big July political conventions. It would be bad for the country to have Congress in session after both major parties had nominated their candidates for President and Vice-President.

Members of Congress in both parties would be inclined to attempt to whip up political partisanship for their side, and seek to downgrade their rival party. Little if any constructive legislation would emerge from such partisanship.

Senate and House leaders are confident that Congress by working steadily, can finish up the "must" legislation before the 86th Congress is rapped to adjournment. There are some far-reaching measures, affecting nearly everybody in this country, pending.

Important Proposals

For instance, organized labor is making a tremendous effort to get passed amendments to the social security law that would provide medical care for the senior citizens of our country. There is also individual support around the country for such legislation.

The local unions in the various states are bombarding Congress with requests to get a medical care bill passed. Every election year for years now, Congress has passed a law liberalizing the social security laws of the country in some manner.

The year 1960 probably will not be an exception to the trend.

The bill that would increase minimum wages to $1.25 an hour and put several additional million under the law has been the subject of long hearings the past two years before Senate and House Labor Committees, but the proposal is in the doubtful category as far as passage by both houses is concerned.

An omnibus housing bill will become law, it appears certain. Traditionally Congress has been passing the omnibus housing bills in the final days of the sessions. This year will be no exception, Congressional leaders agree. Hearings have been completed by both the House and Senate committees.

The Federal education bill has passed both houses, but differences in the two bills are being ironed out by conferees of the House and Senate.

The corporation and excise tax laws will be extended. This is a must, and these laws are sure to be enacted for another year. However, two Eisenhower Administration measures - one that would raise the postal rates and another that would increase the Federal gasoline tax again are positively out of the legislative window this year.

Federal Pay Raise Doubtful

With the money market eased considerably, and interest rates on Government securities down substantially since Congress convened in January, the bond interest rate bill which the Eisenhower Administration has advocated so strongly for more than a year, will not pass. For awhile early in the session, it seemed to have a favorable chance, but the picture changed overnight.

The pay raise bill for Federal employes might conceivably get by in the closing days, but the odds appear against it. It faces a veto by President if it should get through.

The biggest monetary bill left on Capitol Hill this session is the so-called "mutual assistance" or foreign aid bill, as some members of Congress prefer to call it. Although it will not carry as much assistance as the President recommended, this appropriation will pass after several hundreds of millions have been trimmed off of it.

Another major appropriation bill remaining is one providing for nearly a billion dollars for public works projects like rivers and harbors and flood control measures. Just what is going to be the fate on the depressed areas bill is not quite clear. The liberal measure that Congress passed and sent to the White House was vetoed, because it carried huge sums over the recommendations of the Budget Bureau. However, there is substantial sentiment for a more modest measure.

The "Cranberry" Scare

The biggest agricultural bills remaining on the calendar are the wheat bill, and another that would extend the Sugar Act. In view of the continued hatred being preached by Premier Castro of Cuba against the United States, the Sugar Bill may evoke some sharp arguments.

The fate of the color additives bill is obscured. It might pass, but the measure is controversial. The big-to-do that evoked nationwide interest grew out of the 1959 cranberry scare just before Thanksgiving. Then there were headlines splashed across the country by the statement of Secretary Arthur Flemming of the Department of Health, Education and Welfare that traces of a cancer-causing spray used to kill weeds had been used to spray some fields of cranberries. Because of the alleged contamination, millions of dollars in cranberries were destroyed.

A bill of great interest and importance to self-employed persons that would appear to have a reasonable chance of passage is one that would authorize self-employed to set aside up to $2,500 a year for retirement. The self-employed would not have to pay tax on the $2,500 maximum each year until after their retirement, when normally their tax scale would be sharply lower.

Health Insurance

At the beginning of this year it was estimated that more than 21,000,000 persons had major medical expense insurance, and that more than 100,000,000 have two or more types of health insurance.

The medical expense insurance plan is growing by leaps and bounds. About 4,000,000 persons will be covered under the Federal Employees health program that will begin July 1. The Federal employees plan is supposed to be the biggest insurance plan of its kind ever put into effect. It will cover the employees and members of their families. The employees themselves will pay for the insurance.

The medical care bill which the House Ways and Means Committee approved as an amendment to the Social Security Act would set up a Federal-State program. Each state would decide what benefits it wished to pay.

However, the ceiling that each state could pay would include inpatient hospital services up to 120 days annually; skilled nursing home services; physician services, outpatient hospital services, organized home care services, private duty nursing services, therapeutic services; major dental treatment; laboratory and X-ray treatment up to $200 a year, and prescribed drugs up to $200 a year.

The so-called Forand bill, which had created a stir in and out of medical circles, was stripped of its liberal provisions to provide for health care for the aged through social security. Under the proposed program, none of the plans would call for an increase in the social security taxes.

Some late sessions of Congress apparently will be necessary in order for the law-makers to quit around the Fourth of July preliminary to the opening of the Democratic National Convention in Los Angeles.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

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With Straus, Blosser

(Special to THE FINANCIAL CHRONICLE)

ALMA, MICH.—James C. Lockwood has become associated with Straus, Blosser & McDowell. He was formerly local representative for R. C. O'Donnell & Company.

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COMING EVENTS

IN INVESTMENT FIELD

June 15-16, 1960 (Minneapolis, Minn.)
Twin City Bond Club 39th annual picnic and outing at White Bear Yacht Club (preceded by a cocktail party June 15th at the Nicollet Hotel).

June 16, 1960 (Minneapolis-St. Paul)
Twin City Bond Club 39th annual golf tournament and picnic at the White Bear Yacht Club.

June 16-19, 1960 (Murray Bay, Que., Canada)
Investment Dealers' Association of Canada annual meeting.

June 17, 1960 (Buffalo, N. Y.)
Bond Club of Buffalo summer outing at the Cherry Hill Country Club, Ridgeway, Ontario.

June 17, 1960 (New York City)
Investment Association of New York Annual Outing at Sleepy Hollow Country Club, Scarborough, N. Y.

June 17, 1960 (Pittsburgh, Pa.)
Bond Club of Pittsburgh annual spring outing at the Longue Vue Club.

June 20, 1960 (Louisville, Ky.)
Bond Club of Louisville outing at Standard Country Club.

June 21, 1960 (Detroit & Michigan)
Security Traders Association of Detroit and Michigan Summer outing at Western Golf & Country Club.

June 24, 1960 (Philadelphia, Pa.)
Investment Association of Philadelphia annual outing at the Whitford Country Club, Whitford, Pa.

June 25, 1960 (Chicago, Ill.)
Security Traders Association of Chicago outing at Nordic Hills Country Club.

June 25-28, 1960 (Santa Barbara, Calif.)
California Group of Investment Bankers Association meeting.

July 10-Aug. 5, 1960 (Evanston, Ill.)
Fundamentals of Investment Banking—4 week resident summer course at Northwestern University sponsored by Investment Bankers Association.

Aug. 12, 1960 (Detroit, Mich.)
Basis Club annual summer outing at the St. Clair Inn and Country Club, St. Clair, Mich.

Sept. 9-11, 1960 (Portland, Oreg.)
Pacific Northwest Group of Investment Bankers Association annual meeting at the Sheraton-Portland.

Sept. 11-14, 1960 (Sun Valley, Idaho)
National Security Traders Association Annual Convention.

Sept. 12-13, 1960
Association of Stock Exchange Firms meeting of the Board of Governors at the Statler-Hilton Hotel, Hartford, Conn.

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